

GENERAL TERMS OF SALE

- Sec. 1 This transaction shall be governed exclusively by the following General Terms of Sale. Any modification of, and/or amendment to the present General Terms of Sale or of the specific terms of the Confirmation of Order ("Order") shall be admissible and valid only if confirmed in writing by both parties to the Order. Upon concluding the respective Order, all preceding negotiations and/or correspondence shall become null and void, so far relating to the said Order. The present General Terms of Sale attached to the Confirmation of Order shall be deemed to be fully consented to and accepted by the Purchaser if the latter does not object thereto immediately following the delivery of the Confirmation of Order to the Purchaser, however at the latest by the acceptance of the goods delivered to the Purchaser pursuant to the Confirmation of Order. The parties agree that following the first delivery to and acceptance of the General Terms of Sale by the Purchaser the General Terms of Sale shall fully apply to any subsequent Order concluded between the parties, provided however that if the General Terms of Sale, as amended from time to time, are attached to any subsequent Confirmation of Order and are delivered to and accepted by the Purchaser such later General Terms of Sale shall apply.
- Sec. 2 The offer of the Seller to conclude a contract shall be considered as not binding upon the latter, unless a contrary intention of same appears on face of this offer. Acceptance of the order by a Seller's agent or by a broker, in his name shall not be binding on the Seller. Purchaser's order shall bind the Seller only if accepted by the latter and confirmed in writing in a Confirmation of Order.
- Sec. 3 The present Order is being concluded provided that no governmental measures, preventing the exportation of the contractual goods is taken.
- Sec. 4 An agreement as to the price shall be considered as an essential part of the present Contract and condition precedent to its conclusion. Unless otherwise stated in the Order, the prices of the Seller shall be understood as CPT customer location PROVIDED THAT, HOWEVER, if the price of the goods is agreed upon between the parties in view of certain railway, ship, insurance, and/or other rates and customs duties prevailing at the time of the conclusion of the present Order, the Seller shall be at liberty to adjust his prices accordingly in the event or any modification of same.
- Sec. 5 If a payment by means of a letter of credit is provided for in the Order, the terms of the respective letter of credit must not differ from those fixed in the Contract. The Seller shall not be bound to dispatch the goods if the Purchaser fails to open the letter of credit within the period of time, provided for in the Order, or if the terms of the letter of credit differ from those fixed in the Order.
- Sec. 6 The Purchaser shall procure in time the official licenses and/or permits necessary for carrying out the importation of the goods as for payment of the purchase price plus interest, irrespective of whether the duty of procuring same has been enacted prior to the conclusion of the Order or thereafter. Upon failure of the Purchaser to perform this duty, the Seller shall have the right, after expiration of an additional period of grace, in his discretion either to insist upon the performance of the Order, or to repudiate same, and to claim damages.
- Sec. 7 Instructions relating to the specification of consignment, forwarding agents, mode of dispatch, type of packing, marking, certificates of origin, shipping documents, attestation, etc. shall be contained in the Order. Otherwise, they shall become binding on the Seller only if confirmed in writing by the latter. If no agreement in respect of the respective instructions is reached in time, the Seller shall be free to dispatch the consignment in such way which is customary in his own country. In this instance, the Seller shall not be responsible to the Purchaser for losses caused in this manner.
- Sec. 8 The Seller shall have the right to deliver goods under the present Order to the Purchaser by partial shipments.
- Sec. 9 Unless otherwise agreed herein, the Seller shall deliver goods of such quality as defined in the corresponding Technical Data Sheets.
- Sec. 10 The Seller shall be at liberty to deliver smaller or larger quantities of goods than agreed upon, provided the delivered quantity is within the tolerances of +/- 10%.
- Sec. 11 Unless otherwise agreed upon in the Order, the term of delivery shall be as defined in the Confirmation of Order. The liability of the Seller for any damages caused to the Purchaser due to a delayed term of delivery in excess of three (3) business days beyond the agreed upon delivery date due to Seller's sole fault shall be limited to 20% of the Order price of the goods delivered with delay, if not otherwise agreed by the parties in the individual Order. For the purpose of this Section 11, the parties expressly stipulate that they do not foresee that the late delivery of the goods could cause the Purchaser damage in excess of 20% of the Order price of the goods delivered with delay.
- Sec. 12 Upon occurrence of circumstances having the character of force majeure and preventing the Seller from performing his duties under the Order, the Seller shall have the right to extend reasonably the term delivery, or to repudiate the Order, in neither of those instances should the Seller be liable for any damages caused to the Purchaser.
- Sec. 13 The term "force majeure" used throughout this Order shall denote circumstances of extraordinary nature, which prevent the Seller, either temporarily or permanently, from performing his duties under the present Order, provided such circumstances arise after the conclusion hereof and cannot be averted by the Seller.
- Sec. 14 If irrespective of invitations by the Seller, the Purchaser fails to take delivery of the goods, the former may either insist upon the performance of the Order, claiming damages resulting from the delayed acceptance of the goods, or to repudiate same, to sell the goods elsewhere and to claim damages from the Purchaser for losses thus incurred. If the Purchaser receives a notice of readiness of delivery or of the dispatch of the goods, and thereafter the goods are not dispatched or delivered, the Seller shall have the right to put same, at the risk of the Purchaser, either in his own warehouse, or in a public warehouse, or to store same with a third party and, upon failure of the Purchaser to accept the goods irrespective of the notice inviting the latter to do so, to sell the goods on account of the Purchaser. The rights of the Seller to claim damages, if any, shall not be affected thereby.
- Sec. 15 The purchase price shall be considered as fully paid only if the respective remittance reaches the place of the registered office of the Seller, or other place designated in the Order. The Purchaser shall not have the right to withhold the purchase price or any portion thereof for any counterclaims, nor shall he be entitled to set off such counterclaims, including his lodged claims relating to the quality and/or the quantity of the goods.
- Sec. 16 If the Purchaser fails to pay the purchase price or any portion thereof in accordance with the terms fixed, the Seller may, in his discretion, either insist upon the performance of the Order or repudiate same and other contracts, pending between himself and the Purchaser without being bound to grant the Purchaser any additional period of grace. In either case, the Seller shall have the right to claim damages. If the Seller prefers not to repudiate the Order, it shall not be bound to start the performance of its own duties thereunder, until the Purchaser performs its respective duties and obligations PROVIDED THAT, the right of the Seller to claim damages shall not be affected thereby. The same shall apply in the event of the purchaser's insolvency or in the case of a substantial deterioration of prescriptions, regulating the regime of transfer of payments.
- Sec. 17 If the economic standing and situation of the Purchaser deteriorates after the conclusion of the Order, the Seller shall be free to ask for a modification of the payment terms and, if no agreement in this respect is reached within ten (10) days, to repudiate the Order without the Purchaser having any right and/or claim whatsoever on that account. The determination of the economic situation of the Purchaser rests on the sole discretion of the Seller.
- Sec. 18 If the Order provides for a payment of the purchase price by installments, the failure to pay one single installment in time shall cause the entire unpaid balance to become accelerated and overdue at once.
- Sec. 19 The rate of interest, charged upon failure of the Purchaser to pay in time the purchase price, shall be one (1) per cent per month or the applicable portion of the delay in any particular month. If, however, a higher rate of moratory interests prevails in the country of the Purchaser, then that higher rate shall be binding upon the parties. The duty of the Purchaser to pay moratory interests shall not affect the right of the Seller to claim damages resulting from the delayed performance, but only to the extent to which the loss actually incurred exceeds the amount of the moratory interest.
- Sec. 20 Title in the goods sold and the right to dispose of same until full settlement of the purchase price and all collateral obligations shall remain in the Seller. Upon request, the Purchaser shall disclose to the Seller the name of the entities/individuals who is/are in possession of the goods already delivered but not yet fully paid up. If the Purchaser does not fulfill his financial obligations towards the Seller, the Seller has the right of counter-value of the finished products made of Seller's goods.
- Sec. 21 Place of performance (fulfillment) shall be the place as defined in the applicable Incoterm.
- Sec. 22 Unless otherwise stated in the Order, all risks in the goods shall pass on to the Purchaser upon handing over of the goods to the carrier irrespective of the clauses of the Order fixing who of the parties is to bear the freight and the insurance. In the event of a sale Ex Works or Es Stock the risks shall pass on to the Purchaser upon the Seller dispatching a notice to the Purchaser to the effect that the goods are ready in the manufacturing work, or in the warehouse, for dispatch. Apart from deliveries CIF, the Seller shall secure an insurance of the goods only if expressly agreed upon in the Order. Unless expressly agreed that the Seller will take out a policy insuring the goods against breakage, it shall in all cases, including CIF deliveries, insure the goods only against normal risks and only as required by the applicable Incoterm.
- Sec. 23 The Purchaser shall take all steps necessary to secure the claims of the Seller, if any, against the carrier under the Order of carriage of the goods. Purchaser will notice any damage of the goods delivered in a prompt way before the goods are discharged from the truck or container. In case Purchaser is not reporting anything, Seller will not reimburse any damage that could be found out on the goods.
- Sec. 24 Notice of defects in the goods shall be sent to the Seller immediately upon their discovery, but not later than within thirty (30) days after arrival of the goods at destination, falling which the rights of the Purchaser shall be extinguished. The notice of defects shall be sent at least by electronic mail and the assertion contained therein shall be supported by evidence, such as corroborating sample or an official certificate of quality and all the details reported on the label (i.e. production date, lot, etc.). The Seller shall have the right to inspect or have inspected the goods by person authorized to that effect, if the complaint proves to be justified, the Seller shall be free in his discretion either to remove the defects ascertained within a reasonable period or to replace the defective delivery by a new one, under the same conditions as the original delivery, or to grant a reasonable allowance to the Purchaser. But if the Seller fails to remove the defects within a reasonable period, or to replace the defective delivery by a new one within the same period, the Purchaser shall have the right to repudiate the Order, but only to the extent of the defective delivery, and provided the delivery constitutes an essential breach of the Seller's obligations. If the Purchaser asks for an allowance, it shall not have the right to repudiate thereafter the Order. It is understood that the Purchaser will be able to successfully assert its claims based on defective delivery of goods consistent with this Agreement only if it has already performed all its obligations towards the Seller - otherwise, they are waived. If not otherwise agreed by the parties in the Order or stipulated by the present General Terms of Sale, the liability of the Seller for any damages caused to the Purchaser due to the Seller's failure to perform the Order (including, but not limited to, damages for defective product) shall be limited to 50% of the Order price of the defective goods at issue. For the purpose of this Section 24, the parties expressly stipulate that they do not foresee that the Seller's failure to perform the Order could cause the Purchaser damage in excess of 50% of the Order price of the defective goods at issue.
- Sec. 25 If claims are asserted under license agreements of patents granted or registered designs in respect of goods manufactured in accordance with the special wishes of the Purchaser, then the Purchaser shall settle such claims at its own and sole expense and indemnify Seller from same.
- Sec. 26 The Purchaser shall not have the right to re-export the goods either back or to third countries without a previous consent on the part of the Seller. But if the goods are so re-exported in spite of the present clause, the Purchaser shall be liable to the Seller for losses and liabilities, if any, resulting there from.
- Sec. 27 The International Rules for interpretation of Commercial Terms, enacted by the International Chamber of Commerce in Paris in 2000 (INCOTERMS 2000) shall govern the construction of commercial terms used throughout this Order unless such construction is contrary to specific clauses of this Order and/or at these General Terms of Sale.
- Sec. 28 All disputes which might arise under the present Order, this Agreement or in connection with legal relations resulting therefrom shall be subject to mediation between the parties. If no such settlement is reached between the parties, disputes arising in connection with the Order, this Agreement and/or its validity shall be finally settled in accordance with the Arbitration Rules of the German Institution of Arbitration (DIS) without recourse to the ordinary courts of law. The place of arbitration is Frankfurt am Main. The number of arbitrators is three, but the parties may later mutually agree to one arbitrator. The language of the arbitral proceedings is English, the applicable substantive law is German law.
- Sec. 29 Seller warrants exclusively that goods sold to Purchaser hereunder shall conform to the applicable specifications. Goods sold to the Purchaser are defective only if such goods do not conform to the specifications.

- Sec. 30 **Seller disclaims all other representations and warranties of any kind, express or implied, in fact or in law, including without limitation, the implied warranty of merchantability and the implied warranty of fitness for a particular purpose.**
- Sec. 31 Purchaser's exclusively remedy for breach of this Agreement and/or the aforementioned limited warranty, shall be, in Seller's sole discretion either: (a) replacement of the defective good, without charge, F.O.B Purchaser's manufacturing facility; or (b) refund of the purchase price paid in respect of such defective good.
- Sec. 32 Seller's liability pursuant to this Agreement shall be excluded if the defects or damages are the result of non-compliance with Seller's written guidelines regarding storage and/or application of the PRODUCTS, including but not limited to usage after the expiration date, if applicable.
- Sec. 33 For the purpose of the present General Terms of Sale, the parties expressly agree that the Seller shall only cover reasonable foreseeable direct damage caused to the Purchaser, and it shall not include any indirect or consequential damage, such as any damage arising, without limitation, from any loss of profit, loss of revenue, loss of production, loss of finance, loss or denial of opportunity, loss of access to markets, loss of good will, loss of business reputation, future reputation or damage to its credit rating.
- Sec. 34 Except as permitted under U.S. Laws and EC Laws, goods sold under this Agreement will not be sold, supplied or delivered by Purchaser directly or indirectly or by any of its Affiliates to any party or destination that, at the time of such sale, supply or delivery, is declared an embargoed/restricted party or destination by the government of the United States of America or by the United Nations or the EC.
- Sec. 35 This Agreement shall be governed by the laws of Slovakia. The applicability of the Laws on Conflict of laws and the UN convention on the International sales of Goods (CISG) shall be excluded. The application of any provision of Slovak law that is not of a mandatory nature is expressly excluded to the extent that it could alter (fully or partially) the meaning, interpretation or purpose of any provision of the present General Terms of Sale.