

## **BALSTER, s.r.o.**

Boženy Němcovej 8, Bratislava, Postal Code: 811 04, Slovak Republic

Registered in the Commercial Register kept by the District Court Bratislava I.,  
Section Sro, Insert No.: 60379/B, Company Identification No.: 44947054

### **GENERAL PURCHASING TERMS AND CONDITIONS**

#### Article I Basic Provisions

[1] The General Purchasing Terms and Conditions (hereinafter as the "GPTC") within the meaning of regulation of the European Parliament and of the Council (EC) no 593/2008 of 17. June 2008 on the law applicable to contractual obligations (Rome I) governed by the law of the Czech Republic regulate within the meaning of Section 1751 (1) of Act No. 89/2012 Coll., the Civil Code of the Czech Republic (hereinafter as the "CC") the rights and obligations of the company BALSTER s.r.o. (hereinafter as the "Buyer") and their Contractors (hereinafter as the "Sellers") in purchase of goods for the purpose of sale to the final consumer (retail trade) or other trades (wholesale) (hereinafter as the "Goods") on the basis of the Buyer's proposal to enter into the contract within the meaning of the provisions of Section 1731 at seq. of the CC (hereinafter as the "Order").

[2] By confirming the Order, the Seller enters into a purchase contract with the Buyer, with the provisions of the GPTC forming its integral part (hereinafter as the "Contract"), being binding for any business transaction established upon confirmation of the Order within the meaning of Section 1740 of the CC. If the Seller and the Buyer (hereinafter also jointly referred as the "Parties") enter into a Contract obliging them to repeat performance of the same kind in the long term referring to the GPTC, it has been agreed that the Buyer may change the GPTC to a reasonable extent within the meaning of the provisions of Section 1752 of the CC, however the Buyer is obliged to notify the Seller of any change one month before the change effectiveness date, and shall do so by a registered letter sent to the Seller's registered office; the Seller will be then entitled to cancel the Contract for such reason within a cancellation period sufficient for the Seller to be able to procure similar performance from another contractor, such period not to be shorter than six months from the date of delivery of the notice to the Buyer, unless the parties agree otherwise with regard to the concrete circumstances.

[3] In the case of any discrepancy between the covenants of the Contract and the covenants of the GPTC, the Contract covenants shall prevail within the meaning of the provisions of Section 1751 (1) of the CC over the provisions of the GPTC. The relationships between the Parties not regulated by the Contract or GPTC are governed by the applicable provisions of the generally binding legal regulations (especially by the CC) of the Czech Republic.

#### Article II Ordering of the Goods

[1] Any Buyer's order may be delivered to the Seller through a post licence holder (usually through Slovenská pošta, a.s., Company Identification No.: 36 631 124) or through the remote electronic data transmission (fax, e-mail, data box) or verbally (telephone). If the Order is placed and accepted verbally or electronic, the Parties are obliged to issue a confirmation in writing without undue delay.

[2] The Buyer's Order may be placed as irrevocable for the Seller to be sure about the Order, if this fact is expressly specified in the Order; even when the Buyer's Order is irrevocable, it can be cancelled if the Buyer's manifestation of will to cancel the Order is received by the Seller before delivery of the Order or at least on the same day (Section 1737 of the CC). Order confirmation may be cancelled if the Seller's manifestation of will to cancel the Order is delivered to the Buyer on the same day at the latest as the Seller's confirmation of the Order (Section 1742 of the CC).

[3] Any Order placed verbally or in writing to the Seller, which is present, must be confirmed without undue delay with regard to the Order content and circumstances, under which it has been placed (Section 1734 of the CC). An Order placed in writing towards any absent person must be accepted within the period specified in the Order; if no such period is specified, the Order may be confirmed within a period adequate to the nature of the suggested contract and the speed of the means used by the Buyer to deliver the Order (Section 1735 of the CC).

[4] The Buyer shall usually specify the following information in the Order:

- a) Identification data (i.e. the business name, registered office, Company Identification No., Tax Identification No., contact telephone or e-mail address);
- b) Code of the Goods according to the Seller's catalogue or description of the Goods, the respective standard and quantity of the ordered Goods as per the individual catalogue items;
- c) Place and time of Delivery of the Goods;
- d) Name and surname of the person authorised to take over the Goods; if no such person is specified, the Goods may be handed over to any Buyer's employee;
- e) Information about the guarantee period, which starts from the date the Goods were taken over according to the provisions of Article IV of the GPTC;
- f) Date of Order issue and signature of the person authorised to issue the Order (or stamp imprint).

[5] If any information in the Order is incomplete or unclear, the Seller shall contact the Buyer and shall supplement the data. Once supplemented, the Order will be considered as complete and clear. The Seller shall re-confirm the complete Order in the updated version.

### Article III Price of the Goods

[1] Special prerequisites of the Order within the meaning of the provisions of Section 1726 sentence two of the CC include the information about the price of the Goods and the commercial term the Parties have agreed upon. In the case of any unclearness or dual interpretation of the statutory presumption of entering into a Contract without agreeing a price, it will be understood that the Buyer considers the agreement on the price and its commercial term as the prerequisites being the precondition of concluding the Contract, and that the Contract has not been entered into due to absence of such prerequisite.

[2] Unless agreed otherwise, the summary numerical price data in the Order is the price of the Goods on the basis of CIP commercial term as per INCOTERMS 2013 (carriage and insurance paid and ensured by the Seller) to place of address Boženy Němcovej 8, Bratislava 811 04, Slovak Republic, inclusive of the VAT at the rate as set out by the generally binding legal regulations as of the date of taxable supplies if not in the confirmed Order is otherwise agreed.

### Article IV Takeover of the Goods

[1] The Parties have agreed upon takeover of the Goods within the meaning of the provisions of Section 1965 of the CC; the takeover procedure must be performed within thirty days from the date the Goods are received in the place agreed for delivery of the Goods, unless agreed otherwise in the Contract with regard to circumstances. Takeover of the Goods is understood by the Parties as their physical and technical inspection in regard to the completeness, absence of damage and functionality; the Goods will be considered as taken over without any defects, if the delivery agreed on the basis of the Contract is complete, undamaged and functional.

[2] If the respective circumstances occur, the Parties may agree the delivery takeover term in the Contract differently from Article V (1) of the GPTC; however if they agree a period longer than specified in the GPTC, they may only do so if the nature of performance according to the Contract

requires it, particularly in the cases the inspection of functionality of the Goods may only be performed by customer of Buyer or after the Goods are built in the product, etc.

#### Article V Payment Terms

[1] Tax document (invoice) maturity is thirty days from the date of defect-free takeover of the Goods within the meaning of the provisions of Section 1963 (1) sentence two of the CC; unless agreed otherwise in the Contract with regard to circumstances.

[2] If the respective circumstances occur, the Parties may agree the purchase price maturity period in the Contract differently from Article V (1) of the GPTC; however if they agree a period longer than specified in the GPTC, they may only do so on the condition of existence of the circumstances presumed in the provisions of Article IV (2) of the GPTC.

[3] The purchase price shall be paid cashless, and within the meaning of the provisions of Section 1957 of the CC, the purchase price is considered as paid upon crediting the monetary amount into the account of the Seller's payment service provider (bank).

#### Article VI Delivery Terms

[1] For proper performance of delivery according to the Contract within the meaning of the provisions of Section 1954 of the CC (place of performance), the Seller is required to deliver the Goods to the agreed place of delivery. The place of delivery of the Goods is the place, which is agreed in the Contract. If the place of delivery cannot be identified according to the Contract, according to the nature of the obligation or according to the purpose of performance, it is hereby agreed that the CIP term of INCOTERMS 2013 shall apply (carriage and insurance paid and ensured by the Seller) to Boženy Němcovej 8, Bratislava 811 04, Slovak republic.

[2] For proper performance of delivery according to the Contract within the meaning of the provisions of Section 1958 of the CC (time of performance), the Seller is required to deliver the Goods at the agreed time even without being requested so by the Buyer, and the Seller is obliged to advise the Buyer of the delivery at least three business days before the delivery date of the Goods. If the time of delivery cannot be identified according to the Contract, according to the nature of the obligation or according to the purpose of performance, it is hereby agreed that the Buyer may require immediate delivery and the Seller is obliged to perform the Order without undue delay. If the following unclear terms are used in the Contract for specification of the time, they shall mean the following within the meaning of the provisions of Section 1959 of the CC:

- a) "Beginning of the period" – the first ten days of the respective period;
- b) "Mid of month" – the period from the 10th to the 20th day of the respective month;
- c) "Mid of quarter" – the second month the respective quarter of year;
- d) "End of the period" – the last ten days of the respective period;
- e) "Immediately" – the period within five days from the decisive moment (usually entering into the Contract).

[3] Along with the delivered Goods, the Seller shall also hand over to the Buyer the following:

- a) Delivery note, in which the precise identification of the delivered Goods will be provided in regard to the article and quantity of the goods, or other data necessary to distinguish the individual items of the delivered Goods;
- b) Documents necessary for takeover and use of the Goods (attests, etc.).

[4] The Buyer is obliged to immediately inform the Seller about any change in the delivery address or about any other changes that may have any effect on performance of the Seller's obligations. The

Seller is not responsible for any damage caused to the Buyer by incorrect or delayed delivery of the Goods and the Buyer undertakes to compensate the Seller for any damage, if such damage was caused by violation of the Buyer's obligation according to this Article.

[5] The danger of damage to the Goods shall pass to the Buyer within the meaning of the provisions of Section 2121 of the CC at the moment the Goods are accepted according to Article IV of the GPTC; the same consequence shall occur if the Buyer does not take over the thing despite the Seller allowed already the Buyer to dispose of such thing. If the Buyer is to take over a thing from the carrier, the risk of damage shall pass to the Buyer upon handover of the thing to the carrier in the place agreed in the Contract as the place of delivery within the meaning of the provisions of Article VI (1) of the GPTC.

## Article VII Quality Guarantee; Complaints

[1] The Seller shall provide the Buyer with the quality guarantee within the meaning of the provisions of Section 2113 of the CC. The Seller undertakes that unless the Parties agree otherwise in the Contract, the Goods shall be capable of use for the usual purpose or shall retain the normal qualities for the period of three years from the date the Goods are received by the Buyer in the place and at the time of delivery.

[2] Upon receiving the Goods, the Buyer is obliged to inspect the packaging of the Goods and perform the visual check of the Goods if possible with regard to the type of packing. The Buyer is obliged to immediately notify the Seller of incorrect quantity and apparent defects in the manner agreed for serving the Order, however in any case within two business days after receiving the Goods. In the notice, the Buyer is obliged to describe the defects in an adequate manner in regard to their type and number.

[3] The Buyer shall perform the inspection of fulfilment of the quality guarantee conditions in regard to completeness, absence of damage and functionality upon takeover according to the provisions of Article IV of the GPTC. The Buyer shall notify the Seller of performance of the acts to take over the Goods in the manner agreed for serving the Order at least three business days before the date the inspection is performed so that the Seller may exercise its right to take part in the takeover in person or through its representative.

[4] If the Goods are defective within the meaning of the provisions of Section 2099 of the CC, the Buyer will be entitled to:

- a) Require removal of the defect by delivery of a new thing without defects; or
- b) Require removal of the defect by repair of the thing; or
- c) Require a reasonable discount from the purchase price; or
- d) Withdraw from the Contract;

the right of choice is on the Buyer's side within the meaning of the provisions of Section 2106 (2) of the CC.

## Article VIII Confidentiality Obligation

[1] With regard to the need of exchange of technical information representing the trade secret of the Parties, the Parties have agreed for the purpose of utilisation and at the same time prevention of its propagation in an undesired manner that they shall issue to one another the information necessary to perform their business relationship, considering such information as confidential within the meaning of the provisions of Section 2985 of the CC; in that sense they undertake to maintain the confidentiality.

[2] The obligation of confidentiality means that both Parties undertake to only use the confidential information for the purpose of the Contract, to hold its content confidential, to prevent any third parties from having access to the information and to take any measures to prevent its further propagation.

[3] The Parties shall consider all business and technical details, drawings, models, designs, samples and similar items as the confidential information.

#### Article IX Sanctions; Compensation of Damage

[1] The Seller undertakes to pay the Buyer within the meaning of the provisions of Section 2048 et seq. of the CC for the delivery of the Goods not performed in a proper and timely manner within the meaning of the provisions of Section VI (1) and (2) of the GPTC alternatively the following:

- a) Contractual penalty
  - i) in the amount of 0.1% (in words: one tenth of percent) for each started day of the delay from the value of the Goods, delivery of which is delayed;
  - ii) in kind within the meaning of the provisions of Section 2048 sentence two of the CC by delivery of the Goods of similar kind at the Buyer's discretion in the same value as the delivery of the Goods, which is delayed; the Buyer shall have the right of choice between the contractual penalty and the performance in kind;
- b) Compensation of damage resulting from legal sanctions imposed on the Buyer by its customers in relation to violation of the contractual legal obligation by the Seller according to the Contract; the Buyer shall have the right of choice between the contractual penalty and the compensation of damage.

[2] The Buyer undertakes to pay the Seller within the meaning of the provisions of Section 2048 et seq. of the CC the contractual penalty for late payment of a tax document – invoice in the amount of 0.1% (in words: one tenth of percent) for each started day of the delay from the value of the purchase price, payment of which is delayed;

[3] The Buyer undertakes to pay the Seller within the meaning of the provisions of Section 2048 et seq. of the CC. the compensation of damage caused as the Seller's extra costs due to violation of the Buyer's contractual obligation to inform the Seller within the meaning of the provisions of Article VI (4) of the GPTC.

[4] The contractual penalties and compensations of damage are payable within ten days from delivery of their billing to the party obliged to pay the contractual penalty and the compensation of damage. The Parties are entitled to set off their receivables resulting from contractual penalties or compensation of damage against their other payment obligations.

[5] Violation of the contractual obligations according to the Contract (including the GPTC) is not subject to the sanctions according to Article IX of the GPTC in the case of Force Majeure or for the period of existence of a defect.

#### Article X Final Provisions

[1] The GBTC only regulate the relationships of BALSTER, s.r.o. concerning purchase of the Goods.

[2] The Parties undertake to settle disputes resulting from this Contract, if any, by conciliation negotiations; if no extrajudicial settlement is achieved, within the meaning of the provisions of Section 9 of Act No 97/1963 Coll. of the Slovak Republic and Section 87 of Act No 91/2012 Coll. of the Czech Republic, it is agreed that the applicable law is the Law of the Czech Republic and the place of the

Court is factual responsible general Court in Brno, Czech Republic (on the date of formation of the contract relationship, the Municipal Court in Brno, Czech Republic) and that the Czech version of the GPTC will be considered as authentic.

[3] The GPTC are effective from April, 2014.

[4] By signing the Contract, the Seller joins the provisions of the GPTC to full extent except for different covenants of the Contract concluded within the meaning of the provisions of Article I (2) of the GPTC.

IN WITNESS OF the fact that the Seller has familiarised themselves with the GPTC within the meaning of the provisions of Section 1751 et seq. of the CC and agrees with them, the Seller affixes their signature.