

GENERAL TERMS AND CONDITIONS

In terms of the provisions of the Act No. 513/1991 Coll. (Commercial Code) as applicable within the Slovak territory, the company PSEnergia s.r.o. and PSE GLOBAL a.s. with its registered address at Na bielenisku No. 4, No. 343, SK-902 01 PEZINOK, Slovakia, issues hereby General terms and conditions (hereinafter referred to only as "GCT-PSE") that shall regulate the contractual relationships between the company PSEnergia s.r.o. and PSE GLOBAL a.s. 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-PSE or respective contract for work, as the case may be, or a sales contract (hereinafter only as "contract") or order confirmation concluded between the seller and purchaser. Unless, the legal relationships with business partner are not governed by one of the above mentioned manners, they 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-PSE 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-PSE.

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 (via INCOTERMS 2010), the price and method of payment for delivery of goods and work execution.
3. 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.
4. The purchaser is entitled to ask for a 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.
5. 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.

6. 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.
7. 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 40 per cent of agreed cost of acquisition to the seller.

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 according to the rules of INCOTERMS 2010 issued by the International Chamber of Commerce in Paris. Unless stated otherwise in the purchase order or contract, the registered address of the seller shall be the place of performance.
2. After the execution of work is complete, the seller is obliged to prompt the purchaser to take it over at the agreed term and place of performance.
3. The purchaser undertakes to take the work executed over in a due and timely

manner as agreed, otherwise the purchaser is obligated to compensate the seller for the costs and damage incurred as a consequence of the work not taken over. The rights and responsibilities for the transport pass on the purchaser at the moment, when goods are handed over to the first forwarder.

4. 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.
5. The seller is obliged to issue the protocol on acceptance of the equipment and other relevant documents necessary for proper hand over and use of the work subject and submit those to the purchaser. The purchaser undertakes to take over a partial work execution, as well.
6. Upon the takeover of the subject-matter, the purchaser shall be obliged to properly inspect their quality and apparent defects provided that they can be detected through inspection. Other defects of the subject-matter shall be deemed latent defects which are related to the production and/or function. The purchaser shall be obliged to designate the apparent defects no later than five days after the delivery date and deliver a list of such defects to the seller without undue delay.
7. 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.

8. 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 for the needs of the third parties.

Art. 3. OBLIGATIONS OF 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 the date of approval of the purchase order or the date when contract of work is signed.
2. The purchaser undertakes to take over the work executed or goods, pay the agreed price and render agreed cooperation to the seller.

Art. 4. PRICE OF WORK AND PAYMENT TERMS

1. 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 without 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. The price does not include the purchaser's costs for the transport of delivery of the products to the place of delivery of the subject-matter to be installed in the facilities.
5. The price of the work is deemed as settled by crediting the bank account of the seller with the funds or payment upon delivery of goods (via Incoterms 2010) assignment of proceeds of a foreign letter of credit.
6. The purchase undertakes to pay an proforma invoice issued by the seller advance, prior to the commencement of production of the goods or equipment. In the case of, the purchaser fails to pay to the seller the proforma invoice, the seller has the right to withdraw from the contract or purchase order. 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.
7. The purchase price of the goods is payable in EUR. The seller shall issue a tax document for the purchaser with the purchase price of the goods and work in terms of valid law and tax regulations of Slovak republic/EU.
8. 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.
9. The purchaser is not entitled to transfer own claim towards the seller to a third party without a written consent of the seller.
10. 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.

11. The seller reserves the right to unilaterally claim price adjustment, if in time between the conclusion of the treaty and its termination by one of the Contracting Parties the cost increase occurs following the state regulation prices, duties, taxes, fees, inflation, or in consequence of Exchange rate and so on.

Art. 5. PENALTIES

1. In the event of cancellation of purchase order or contract withdrawal by the purchaser, prior to agreed term of execution of contract without the consent of the seller, purchaser shall pay penalty 40 per cent of agreed cost of acquisition to the seller.
2. In case the purchaser does not take over the subject-matter of performance within 10 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.
3. 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.

4. 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.

Art. 6. TRANSFER OF RIGHTS AND RISK OF DAMAGE

1. The liability for risk related to the damage of the goods or facilities during the transport and/or other apparent defects shall be transferred to the purchaser on the delivery date. The parties have agreed that the ownership title to the goods or facilities shall be transferred to the purchaser after the performance of any and all payments.
2. The risk of damage on goods or facilities shall pass onto the purchaser at the moment of its dispatch to transport carrier for transport or at the moment, when the goods or facilities are taken over by the purchaser at the seller's registered address.
3. For the avoidance of any doubt, the seller shall be obliged to notify the purchaser of facts which could have an effect on the use of the goods or facilities, in particular, but without limitation, facts related to the assembly of the goods or facilities.
4. The purchaser shall be entitled to request that the seller provide information even if it has doubts about the technical use of the goods or facilities, and the seller shall be obliged to provide the purchaser with such information without undue delay.

Art. 7. DEFECTS OF GOODS, WARRANTY PERIOD

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. The supplier warrants that the delivered goods or facilities are free of latent and apparent defects and that they comply with the necessary technical specifications, including all standards related to safety and protection of health at work required by the applicable laws and technical standards.
3. Unless stated otherwise in contract or purchase order acknowledgement, the producer provides warranty on defects of material or production defects of the product for the purchaser, for the period of 12 years from the date of delivery or commissioning of the product at the first user, however, not more than 18 months from the date of dispatch from the warehouse of seller.
4. 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).
5. The seller is obliged to declare to a complaint within 15 workdays 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.
6. 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.
7. 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 seller, 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 seller.
8. 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.
9. 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.
10. 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.
11. The purchaser shall be obliged to provide necessary assistance to the seller for the performance of the warranty service, and to takeover such service repairs, modifications and maintenance from the

seller within the warranty period provided that they have been correctly and duly performed and in accordance with the technical requirements for the correct use of the goods or facilities. If it is proven that the defect was caused for reasons other than a defect in the goods or facilities, but, in particular, as a result of the incorrect use of the goods or facilities, then they will not form part of the warranty services and the seller shall estimate and propose to the purchaser the costs necessary and reasonable for its replacement, repair and/or maintenance.

12. The parties acknowledge that the assembly of the goods or facilities at the place of delivery is not included in the contractual price and the fact that the assembly was performed by the seller or another entity with the authority to perform such work and the professional qualifications and experience for such activities is not decisive for the expiration of the warranty period.
13. The warranty shall not be recognized in the event if the goods or facilities has not been performed correctly, as a result of what, it is not compliant with the prescribed specifications of the seller, whereby there is a breach of conditions for its proper function, it can be proved that the instructions pursuant to "Operating and service manual", "Operating guide", or if damage due to inevitable event of force majeure (natural hazard).

Art. 8. MISCELLANEOUS

1. The parties undertake to take any measure and proceed in their activities in such a manner to ensure that the licences and permits for the production of the goods or facilities are not suspended, rescinded or revoked, and in the event that they become aware of the fact that

any administrative and/or judicial proceedings by governmental authorities or third (private) entities are threatening, they will notify the other party of such fact without undue delay and take measures to ensure the delivery and takeover of the goods or facilities.

2. Each party shall be responsible for their own taxes and duties in compliance with the fiscal regulations of their residence country.
3. When performing their obligations arising herefrom, the parties agree to observe the principles of fair conduct and fair business.

Art. 9. CLOSING PROVISIONS

1. These general terms and conditions shall be binding as of July 01, 2015 creating an interal part of each contract or purchase order.
2. 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.
3. 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.
4. 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.

5. Any disputes between the Contracting Parties shall be resolved preferably by the Contracting Parties on their own. Should they fail to come to an agreement, these general terms and conditions shall be governed and

construed pursuant to the legal order of the Slovak Republic, in particular the provisions of Act No. 513/1991 Coll., the Commercial Code, as amended.

6. In the event of a dispute, the court proceeding shall be governed by the procedural rules of Act No. 99/1963 Coll., the Civil Procedure Code.
7. Slovak language shall be the decisive language of legal relations between the Contracting Parties.

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Seller / Supplier:

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Purchaser / Customer:

In, on:.....

In, on:.....