

Fagor Ederlan Slovensko, a.s. Priemyselná 12, 965 63 Žiar nad Hronom, Slovak Republic

I. General terms and conditions

1. The contractual relationship between **the Supplier and the Buyer** is defined by these and any other terms that are included in the order or in its amendments upon which the contracting parties have agreed (i.e. *terms of delivery, technical specifications and test conditions, requirements on packaging, labelling and transport*). A confirmed order including confirmed amendments and changes, if any, shall be considered a purchase contract.
2. Business correspondence, delivery notes, invoices and other written documents shall contain the number of the Buyer's order.
3. Rules of INCOTERMS 2010 with their additional amendments and expansions shall govern all the conditions (clauses) of the contract.

II. Contracts

1. Contracts on the delivery of goods, spare parts and services shall be issued in a written form; alterations of their conditions may only be made in a written form and with the consent of both parties.
2. Technical documentation, models, original plans, patterns, samples, tools and other production tools as well as all the confidential information provided by **the Buyer to the Supplier** may be used only for the processing of this contractual relationship and it is not permitted to disclose this information to any third party without a written consent of the **Buyer**. The process of copying and distribution of this information is only allowed for the purposes of the subject of this contract and shall be carried out in accordance with the copyright.

III. Price and terms of payment

1. The contract determines the end prices of goods and services. It also includes the payment conditions; if not included, the payment conditions are as follows: The invoice is due on the last week of the month following the month of delivery.

IV. Place of delivery and accompanying documents

1. The location where the subject of contract shall be executed, if not otherwise agreed, shall be: DDP - Fagor Ederlan Slovensko, in Žiari nad Hronom.
2. The receipt of the goods is at these times: from Monday to Friday, from 7 a.m. to 2 p.m.
3. Each delivery shall include a delivery note (with the number of order), an invoice (along with the date of delivery and the number of order), relevant attestations (concerning melting, batch and other specific documents as required by **the Buyer** according to the specifications determined in the contract).

V. Delivery times and dates

1. The delivery times and dates, upon which both parties (**the Supplier and Buyer**) agreed, are considered to be binding.
2. Partial deliveries are not permitted without a proper written consent of both contracting parties. The goods are also not permitted to be delivered before the agreed date of delivery without prior consent of **the Buyer**.
3. Delay of delivery (determined in the paragraph No. VI).

VI. Delay of delivery

1. **The Supplier** is responsible for meeting the delivery time and date. If these are not adhered to, **the Buyer** is allowed to ask for a financial refund for the damages (that have been caused by this delay to **the Buyer** or to his/her customer) from **the Supplier**. **The Supplier** has an indemnity liability.

VII. Requirements on the Quality management system

1. The basic criteria for approval of a new strategic supplier are: Certification in accordance to the standard (ISO 9001 at least), meeting the required specification (Reach Safety Data Sheets, the first sample), confirmation of the expected delivery date, DDP Incoterm, references and the price.
2. **The Buyer** agrees to purchase the strategic material by approving the first series of samples or by placing an order after the Reach SDS is submitted.
3. While executing the delivery, **the Supplier** is obliged to fully comply with the approved international standards for the rules on security and environment protection under the legislation of the Slovak republic.
4. **The Supplier** is obliged to ensure that the products undergo the quality control and if asked by **the Buyer**, he shall provide him with the attestations on the control.

VIII. Products that do not comply with the agreed standards

1. The Buyer shall notify the Supplier as soon as he becomes aware of any errors concerning the delivery, if such occur.

IX. Goal: More efficient costs

1. Both contracting parties shall take additional measures to lower the prices and costs with the aim to maintain or increase the volume of delivered goods.
2. Following mutual agreement of both contracting parties and the analysis of costs, the prices agreed upon by the parties can be lowered; the aim of this process is to develop a stronger position on current market and enhance competitiveness.

X. Visits at the Supplier (audits) / Obligation to provide all necessary information

3. Due to the contractual relationship, the **Buyer's** employees will be allowed to access the **Supplier's** production facilities anytime. The **Buyer** shall inform the **Supplier** about the concrete date and time of these visits in advance. The aim of these visits is to enhance the effectiveness in the field of planning the quality control, carry out process audits and solve the claims on the spot jointly. If the **Buyer's** customer asks for information on the manufacturing process and the testing documentation in order to verify concrete requirements on his very own, **the Supplier** agrees to meet this request and provide him with any assistance necessary, whilst **the Buyer** shall inform **the Supplier** on the exact date and time.
4. If asked for, **the Supplier** shall be prepared to arrange meetings with **the Buyer**. The purpose of this measure is to ensure communication and provide the Buyer with preliminary reports in special situations, e.g. in the case of claims.
5. **The Supplier** also hereby agrees that he is willing to provide **the Buyer** with confidential information, if asked for, depending on the particular situation and requests. In order to maintain confidentiality concerning the confidential information, **the Buyer** undertakes to do so by signing an agreement.

XI. Confidentiality

1. Both contracting parties undertake to maintain confidentiality of all business information they will become aware in the connection herewith during the entire contracting period; this duty does not apply to information belonging to public domain.
2. Subcontractors are obliged to follow the confidentiality clause as stated in subparagraph XI.1.

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3. Without prior written consent of the other party it is not permitted to any of the parties to make use of the contractual relationship for advertising purposes.

XII. Guarantee

1. **The Supplier** hereby guarantees that the subject of the contract and order meets the requirements of this contract and order and is competent to do so immediately.
2. **The Supplier** also guarantees that the subject of the contract to be supplied is of high quality and without defects and that all required regulations and standards have been met.
3. If the Buyer becomes aware that the goods supplied by **the Supplier** are faulty, **the Supplier** will be allowed to sort, re-process or replace the defective goods as soon as possible, if **the Buyer** does not intend to do so. If **the Supplier** does not take these measures in a period determined by the Buyer, **the Buyer** shall be able to withdraw from the contract on grounds of a breach of the subject of the contract by faulty goods and services and return the goods at the **Supplier's** expense.
4. After **the Supplier** is noticed in advance, **the Buyer** shall be able to carry out the sorting, repairs or other measures necessary on his own or to delegate third party to do so in urgent situations. **The Supplier** shall bear all the costs connected with these measures.
5. If **the Supplier** has been notified about the faulty goods in written form before and the goods or services are supplied with the same defects again, **the Buyer** can withdraw from the contract.
6. General guarantee conditions not included in this paragraph are fully governed by the legislation of Slovak republic.

XIII. Liability

1. The conditions on Supplier's liability are not determined by any other clauses of this contract; therefore, **the Supplier** shall be responsible for any damages he causes to **the Buyer**, directly or indirectly, by supplying faulty goods, breaching official rules on security or any other legal reason which **the Supplier** is responsible for.
2. Any claim made by the **Buyer** is not valid if the factual damage has been caused by the **Buyer** by not following instructions in written form, which have been given to him by the **Supplier** in advance, concerning information on operating conditions, maintenance and assembly of the products and their using.
3. **The Supplier** shall bear all **Buyer's** costs connected to the measures taken to prevent damage that occur on grounds of **Supplier's** delivery of faulty goods.

XIV. Late delivery penalty

1. If the delivery date of goods is not met, **the Supplier** shall be charged a 0.5% late delivery penalty of the contracted invoice sum for every commenced week of delay, if the conditions governing the late delivery penalty are not stated in the relevant order or contract.
2. The late delivery penalty shall not be affected or lowered by arbitration proceedings and **the Buyer**, when settling the invoice sum, shall be able to lower the price of the delivery by the sum of the charged late delivery penalty.

XV. Other provisions

1. The contractual relationship is governed by the legislative of the Slovak republic, in particular by the Slovak Commercial Code, Act No. 513/1991 Coll.
2. Any dispute that may arise during the process of execution of the contract subject, including the issue of validity or invalidity of the contract, shall be finally resolved by the Court of Arbitration of the

Slovak Chamber of Commerce and Industry according to its Act on Arbitration Proceedings and domestic substantive law.

3. **The Supplier** hereby declares that the order was confirmed by an authorized person and that there he will not make any objections to the matter of validity of the confirmed order or contract towards **the Buyer**.
4. In case of claims made by a third party that result from patent or any other industry or legal imperfections of delivered goods towards **the Buyer**, **the Supplier** hereby declares that he shall provide **the Buyer** with any assistance needed to protect him against such claims and he shall fully cover all the **Buyer's** costs connected to the refund and compensation of damages that have arisen to the **Buyer** herewith.

XVI. Force majeure

1. The contracting parties are exonerated from partial or full failure to meet the contractual obligations, if the failure was due to the reasons of circumstances of force majeure.
2. Force majeure circumstances are circumstances which have occurred on grounds of unforeseen, unavoidable and extraordinary events, e.g. natural disasters, after signing the contract.
3. In case of force majeure circumstances the contracting parties shall provably inform each other about the beginning and end of the force majeure events within 5 days and within the next 10 days they shall confirm the message by attaching a written confirmation from the Chamber of Commerce. If any of the contracting parties does not meet these conditions, it cannot claim to be exonerated from their obligations due to force majeure.
4. Delays of deliveries caused by subcontractors, strikes and closures of traffic, limited at the particular company only, interventions of authorities or lack of official licences, material defects or production defects cannot be considered as force majeure events.

XVII. Withdrawal from Contract

1. **The Buyer** can withdraw from the contract if the **Supplier's** delay is of more than 15 days exceeding the delivery time and this is not caused by circumstances of Force majeure.
2. **The Buyer** can withdraw from the contract if the situation caused by force majeure lasts more than one month and no agreement between the contracting parties on the change of delivery dates has been concluded.
3. **The Buyer** can withdraw from the contract immediately if the delivered goods are not in conformity with the contract.
4. If **the Buyer** withdraws from the contract on grounds of these reasons, **the Supplier** shall compensate all the costs already paid by **the Buyer** in at least 30 days since the Buyer's request is submitted as well as settle the contract penalty of the sum of 20% of invoices already settled. Paying this penalty does not terminate the **Buyer's** right to be refunded for the damages arisen.

The Supplier hereby declares, that he has been informed about the content of the General terms and conditions on the purchase of material, goods, spare parts and services executed between the trade partner (the Supplier) and the company Fagor Ederlan Slovensko, a.s. (the Buyer).

Žiar nad Hronom, 01-August-2017