General Terms and Conditions
of BEZ TRANSFORMÁTORY, a.s., BEZ TRANSFORMATOREN
Zweigniederlassung Deutschland der BEZ TRANSFORMATORY, a.s. Bratislava, and International BEZ Group spol. s r.o.

Article I
General Provisions

1. These General Terms and Conditions (hereinafter also referred to as the "GTC") regulate the sales and deliveries of products and/or services of companies:
   (i) BEZ TRANSFORMÁTORY, a.s.,
   (ii) BEZ TRANSFORMATOREN Zweigniederlassung Deutschland der BEZ TRANSFORMATORY, a.s. Bratislava
   (iii) International BEZ Group spol. s r.o.
   (the companies specified under (i) to (iii) hereinafter collectively referred to as the "Seller")
   to the Purchaser and the contractual relations between the Seller and the Purchaser. These GTC are binding and form an integral part of the purchase contract concluded by and between the Seller and the Purchaser (hereinafter referred to as the "Contract").

3. The provisions of these General Terms and Conditions apply unless the Contracting Parties agree otherwise in the purchase contract. Any application of any General Purchase Terms and/or similar terms of the Purchaser is hereby explicitly excluded.

4. In these GTC, the following terms bear the following meanings:
   "Contract" means a written purchase contract concluded by and between the Seller and the Purchaser, or a confirmed written order by the Purchaser, under the terms and in the scope as confirmed by the Seller in writing, including all its written annexes and amendments;
   "Goods" mean movable objects, defined either individually or by types and quantities, according to the specification in the contract, and/or delivery of services and/or performance;
   "Seller" also refers to the provider of services;
   "Purchaser" also refers to the customer of services.

Article II
Quotation

1. Quotations by the Seller are not binding unless otherwise implied by the quotation itself.

Article III
Order / Conclusion of Contract

1. The Seller undertakes to supply goods in line with a confirmed order and/or a concluded contract; in both cases, written form is required.

2. In an order, the Purchaser must state the following data, without limitation:
   - Data required to identify the goods precisely;
   - Price;
   - Delivery terms under INCOTERMS 2010, specifying the import contract term code and an exact delivery address. INCOTERMS version 2010 applies unless the Contracting Parties agree otherwise;
   - Delivery period;
   - Payment terms;
   - Packaging (in case of special requirements of the Purchaser);
   - Other provisions.

3. By ordering the Goods from the Seller, the Purchaser expresses their consent with these General Terms and Conditions and with the Contract being concluded under and governed by the law of the Slovak Republic.

4. A Contract shall be considered concluded after it is signed by both parties and/or if the Seller confirms an order from the Purchaser in writing, ships a delivery, or provides a service.

5. Subsequent modifications and amendments to the Contract shall only be valid if confirmed by both Contracting Parties in writing.

6. The Seller is not obliged to perform if performance is prevented by restrictions implied by national and/or international trade and customs law and/or by restrictions implied by any embargoes and/or other sanctions.

7. Shall the Purchaser cancel an order, the Contracting Parties shall proceed pursuant to sections 4 and 5 of Article VI of these GTC.

Article IV
Price

1. Unless otherwise agreed in writing, prices of the Seller EXW Bratislava INCOTERMS 2010 apply.

2. Shall an order differ from the original quotation, the Seller reserves the right to adjust the price accordingly.

3. Prices are set on the basis of costs at the time of quotation. The Seller reserves the right to increase the price adequately in cases of unforeseen increases of costs, e.g. fluctuations of inflation, increases of tax, customs, and/or other fees, including, without limitation, import duties, or substantial increases of prices of raw materials.

Article V
Delivery Terms and Place of Delivery

1. The Seller undertakes to deliver the goods in line with the confirmed order and/or concluded contract.

2. Shall the time of delivery of the Goods be defined by a period in weeks, months, or years rather than by an exact date, the flowing of the period begins upon fulfilment of the last of the following conditions:
   a) Conclusion of Contract;
   b) Issue of all permits procured by the Purchaser to delivery and/or import the Goods;
   c) Crediting the first advance payment to the account of the Seller if an advance payment is agreed in the Contract;
   d) Provision of all guarantees and fulfilment of all conditions precedent agreed in the Contract.

3. The place of delivery of the Goods is the place specified in the Contract and/or in a confirmed order.

4. The Purchaser is obliged to take over the ordered product on the agreed date.

5. Unloading of the Goods shall be provided by the Purchaser at own cost and risk.
6. Shall it be impossible to ship the Goods that are ready to be shipped on the agreed date without fault on the side of the Seller, or shall the Purchaser wish not to ship the Goods, The Seller will be entitled to claim from the Purchaser a delay penalty in the amount of 1% of the purchase price for each, even incomplete, week of delay with takeover of the Goods by the Purchaser, or the Seller may store the Goods at the cost of the Purchaser.

7. Shipments of Goods - transformers will include the delivery to the Purchaser of standard documentation consisting of: testing protocol, technical regulation including a startup manual, an operating and maintenance manual, and a connection scheme. Delivery of any other documentation upon request of the Purchaser must be agreed in advance in the Contract.

**Article VI**

**Payment terms**

1. The Purchaser undertakes to pay to the Seller the purchase price specified in the Contract and/or in a confirmed order by a payment order on the basis of a tax document - invoice issued by the Seller.

2. Invoices shall become due 30 days after the issue thereof. Unless other payment terms are agreed upon in writing, 30% of the price shall be due upon receipt of confirmation of the order on the basis of a pro forma invoice issued by the Seller; the rest is due prior to delivery of the Goods.

3. Invoices issued by the Seller will be sent to the address of the seat of the Purchaser, unless the Purchaser specified another address for sending of invoices in the order or in the Contract.

4. Shall the Purchaser fail to take over the Goods, the Purchaser will be obliged to pay a contractual penalty to the Seller in the amount of 80% of the purchase price, as well as all documented costs of the Seller.

5. The Purchaser is obliged to pay the contractual penalty under section 4 of this Article by a payment order on the basis of a tax document - invoice issued by the Seller. The invoice issued by the Seller will be sent to the address of the seat of the Purchaser and will become due 30 days after the issue thereof.

6. Shall the Purchaser become delayed with the payment of the purchase price or of a part thereof, the Seller will be entitled to a delay interest in the amount of 0.05% of the unpaid purchase price or of the part thereof for each day of delay.

**Article VII**

**Responsibility for Defects and Warranties**

1. The rights and duties related to the defects of the Goods supplied shall be governed by the relevant provisions of the Commercial Code.

2. The warranty period shall be 24 months, beginning on the day of start of operation of the product, however, no more than 30 months from the date of delivery of the Goods to the Purchaser.

3. A 24-month warranty and warranty conditions identical to those for originally supplied Goods shall apply to replaced and/or repaired parts of the Goods. For other parts of the Goods, the warranty period only extends by the time during which these parts of the Goods had to be out of operation due to the removal of the defect.

4. The Purchaser is obliged to complain about obvious defects and incompleteness of the supplies to the Seller upon takeover of the Goods; other defects must be notified to the Seller without unnecessary delay after the identification thereof with due professional care.

5. The rights of the Purchaser from the defects expire if the Purchaser failed to notify the defects duly and in due time to the Seller and/or if the Purchaser fails to adhere to the conditions determined in the technical instructions for the transformer, in the startup manual, in the operating and maintenance manual, or if the Purchaser disposes of the Goods without due professional care.

6. The Seller is not responsible for damages related to defects of the Goods indirectly, nor for subsequent damages and for anything the Purchaser lost in relation to the defects of the Goods (lost profit).

7. The warranty does not apply to defects of the Goods caused by unprofessional interventions of the Purchaser or of a third person, nor to defects of the Goods if it is impossible to document that these were due to faulty material, construction, and/or incomplete workmanship, including, without limitation, defects of the Goods caused by natural wear and tear, faulty maintenance, failure to adhere to operating instructions, excess load, use of unsuitable operating resources, chemical and/or electrolytic influences, construction and/or assembly works of persons other than the persons of the Seller, and all other causes without fault of the Seller.

8. In relation to their responsibility for defects and responsibility from the warranty, the Seller is not obliged to remove the defects of the Goods free of charge in locations other than their operations and/or the location defined in the Contract as the place of delivery.
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Article VIII
Title to Goods and Risk of Damage to Goods

1. The title to the Goods transfers to the Purchaser only on the day of payment of the purchase price in full. Reservation of title does not influence the transfer of risks under section 2 of this Article.

2. The risk of damage to the Goods transfers to the Purchaser according to the agreed-upon conditions of delivery of the Goods under INCOTERMS rules. Unless otherwise agreed, the EXW Bratislava INCOTERMS 2010 (Ex Works Bratislava INCOTERMS 2010) terms apply.

3. If the Ex Works terms apply and the Seller undertakes, upon request of the Purchaser, to send the Goods to a place identified by the Purchaser, the risk of loss and/or damage to the Goods transfer to the Purchaser no later than upon handover of the Goods to the first carrier.

Article IX
Subsequent Sale

1. The Seller does not grant an exclusive right to sell the Goods to the Purchaser. The Purchaser is authorized to sell the Goods to third parties outside the territory of the European Economic Area only with prior written consent of the Seller.

2. In case of subsequent sale of the Goods to a third party, the Purchaser undertakes to transfer the obligation specified in section 1 of this Article to the third party acquiring the Goods from the Purchaser.

3. Violations of the provisions of sections 1 and 2 of this Article shall be considered to form a substantial violation of the duties of the Purchaser.

Article X
Force Majeure

1. The Seller is not responsible for damage incurred in cases caused by force majeure. Force majeure shall be considered to include the following circumstances, if they render the performance of an order impossible or cause such a performance to be inadequate complicated: natural disasters, war, civil unrest, requisition, restrictions by the state, prohibitions and/or legal measures of any type, import and/or export restrictions, strikes, lockouts, labour conflicts, fires, accidents, and any other reasons beyond influence and control of the Seller.

2. In cases of occurrence of circumstance of force majeure, as specified in section 1 of this Article, for a period longer than 6 months, each of the Contracting Parties will be authorized to withdraw from the Contract.

Article XI
Withdrawal from the Contract

1. Any of the parties to the Contract shall be authorized to withdraw from the Contract in the following cases:

   a) The other party to the Contract violates their legal duties and/or obligations imposed by the Contract or these GTC in a non-substantial manner and fails to remedy the fault in a supplementary period despite a written notice;

   b) The other party to the Contract repeatedly violates their legal duties and/or obligations imposed by the Contract or these GTC;

   c) The other party to the Contract violates their legal duties and/or duties imposed by the Contract or by these GTC is a substantial manner, with substantial manner being, without limitation, a violation defined as such in the Contract or in the GTC;

   d) If a bankruptcy and/or restructuring proceedings begin in relation to the assets of the other party to the Contract and/or a petition for bankruptcy and/or restructuring is dismissed due to a lack of assets;

   e) Cases explicitly defined in the Contract or in the GTC.

2. The Seller is also authorized to withdraw from the Contract if:

   a) Doubts occur in relation to the creditworthiness of the Purchaser and the Purchaser fails to pay advance payments and fails to provide a suitable security upon request of the Seller prior to the delivery; or

   b) The Purchaser acts in any manner contradicting the rules of fair trade, commits an unfair competition activity, violates the regulations protecting economic competition and/or damages, by their actions, the good will and legitimate interests of the Seller.

3. Withdrawal from the Contract enter into effect on the day of delivery of the withdrawal notice to the other Contracting Party.

4. Shall the Seller withdraw from the Contract due to reasons on the side of the Purchaser, the Seller will be authorized to choose one of the following procedures:

   a) The parties to the Contract will not be obliged to return performances provided to each other prior to the withdrawal from Contract by the other Contracting Party and will not be authorized to claim a return of the performances provided prior to the withdrawal from Contract to the other Contracting Party. The entitlement of the Seller to be paid the price for the parts of the delivery that will already have been delivered will remain untouched by the withdrawal. At the same time, the Seller is
authorized, within 14 days from the effective date of the Contract, to deliver to the Purchaser all those undelivered parts of the deliveries that were ordered by the Purchaser and manufactured and/or otherwise prepared for delivery to the Purchaser as of the effective date of the withdrawal from Contract, and the Purchaser will be obliged to take over such parts of the delivery and to pay for them in a due manner; or
b) Request the return of the already delivered deliveries. The Purchaser is obliged to provide the Seller with any and all collaboration required by the Seller to re-acquire the hold of the deliveries. The costs of the re-acquisition of the hold of the delivery and/or re-export of the deliveries will be on the account of the Purchaser.

Article XII
Final Provisions

1. By concluding this Contract, the Purchaser grants their consent to use the data about the delivery of the Goods for marketing purposes (e.g. as references), with the exception of data related to the price and payment terms. Shall it be necessary for the Seller to have access to personal data protected under the Act no. 122/2013 Coll. on Personal Data Protection as amended during the performance of the duties of the Seller under the Contract, the Purchaser is obliged to procure, at own cost, the consent of the affected persons for any use of personal data for the Seller.

2. The Purchaser is not authorized to assign receivables due from the Seller without prior written consent of the Seller to any third parties, to pledge these receivables, nor to use them by any other means as an object of a legal act. Similarly, the Purchaser is not authorized to settle the receivables due from the Purchaser with their liabilities. A violation of this duty shall be considered to form a substantial violation of the duties of the Purchaser.

3. The Seller is authorized to assign receivables due from the Purchaser, including without prior written consent, to any third parties, to pledge these receivables, or to use them by any other means as an object of a legal act.


5. All disputes arising from this Contract, including disputes for its validity, interpretation, and/or cancellation, will be solved by the Permanent Arbitration Tribunal established by the company Stály rozhodcovský súd a.s., seated in: Dr. Vladimíra Clementisova 10, 821 02 Bratislava, Org. ID no.: 36 725 439, registered with the Commercial Register of the Bratislava I District Court, section Sa, file no. 4064/B (hereinafter referred to as the "Arbitration Court") by a single arbitrator according to the internal rules of the Arbitration Court.

6. All disputes arising from this Contract, including disputes for its validity, interpretation, and/or cancellation, will be resolved by the Permanent Court of Arbitration established by the Association of Permanent Courts of Arbitration, a special-purpose association of legal entities with registered office at Bár dolova 2/A, 831 01 Bratislava, Company ID: 45 744 912, registered in the Register of Special-Purpose Associations of Legal Entities maintained by Bratislava District Office under no. OU-BA-OVVS1-2014/101372.

7. ("court of arbitration") with a single arbitrer and operating under the internal regulations of the court of arbitration.

8. Shall any of the provisions of these General Terms and Conditions be invalid and/or ineffective, such a provision shall not be taken into account. Invalidity and/or lack of effect of any of the provisions shall not influence the validity and effect of the remaining provisions of the General Terms and Conditions.

9. Concerning deliveries of written documents between the parties to the contractual relationship related to the Contract, documents shall be considered delivered on the day of real delivery thereof to the other party to the contractual relationship. Documents shall also be considered delivered on the day when the period for picking up the consignment from the post expires, even if the consignee failed to learn about the storage. Consignments shall also be considered delivered in cases of intentional actions of the consignee resulting in unsuccessful delivery of the document.

10. These General Terms and Conditions become valid on 08/03/2016.