

GENERAL TERMS AND CONDITIONS OF ZTS Sabinov, a.s. – Sales

1. QUALITY OF GOODS

The Seller is responsible for the delivery of the goods in the required quality and quantity and for the delivery of the documents necessary for the use of the goods. Failure to comply with these requirements shall be considered a shortage of the goods, which the Buyer is obliged to complain in writing without undue delay after receipt, no later than 5 working days.

2. WARRANTY

- 2.1 The Seller guarantees the quality of the delivered goods for a period of 12 months from the date of delivery, unless otherwise agreed by the Parties in the article entitled "Subject matter of the contract, delivery time and price". This warranty period is valid only if the gearbox installation and other activities are carried out in accordance with the installation and operating instructions.
- 2.2 The subject of the Contract must be stored in a dry, dust-free and non-aggressive environment. The Buyer is obliged to complain defects that appear during the warranty period in writing without undue delay after their discovery, at the latest within 5 working days.
- 2.3 The Seller undertakes to carry out the repair of a timely claimed defect manifested within the warranty period at its own expense, provided that the repair is carried out at the Buyer's premises or in the territory of the European Union (EU) and Switzerland. If repairs are required to be carried out outside the aforementioned territory, the Buyer shall be obliged to reimburse the Seller for the costs incurred in connection with such repairs (travel expenses and the cost of transporting the materials required for the repair). If the complaint is accepted, the Seller must repair or replace the complained of object of the contract within an agreed period of time, agreed by both Parties.

3. ACQUISITION OF THE RIGHT OF OWNERSHIP, TRANSFER OF THE RISK OF DAMAGE

- 3.1 The ownership right passes from the Seller to the Buyer on the date of payment of 100% of the purchase price of the goods and their delivery.
- 3.2 The risk of damage to the goods passes from the Seller to the Buyer upon delivery of the goods.

4. PACKAGING AND LABELLING OF PRODUCTS

- 4.1 Packing for the agreed mode of transport is carried out by the Seller so that the goods cannot be damaged during transport.
- 4.2 Products are marked with a label or drawing number, if applicable, directly on the product or on its packaging in an agreed manner (tags, stamped spare parts numbers on the non-functional surface).

5. SANCTIONS

In the event of breach of contractual obligations, the Parties have agreed the following contractual penalties:

- 5.1 For delay in payment of the invoice in the case of prepayment, the Seller may apply to the Buyer a contractual penalty of 0.06% of the amount due for each day of delay compared to the agreed period specified in the Contract.
- 5.2 For delay in payment of the invoice, the Seller may apply to the Buyer a contractual penalty of 0.06% of the amount due for each day of delay compared to the agreed period specified in the Contract.
- 5.3 The Buyer may withdraw from the concluded purchase contract in return for a cancellation fee of 30% of the purchase price, at the latest 3 months before the delivery date. In a shorter period than 3 months, the Buyer may request cancellation of the contractual relationship only by agreement with the Seller and for a contractual penalty of 60% of the purchase price.
- 5.4 For failure to meet the agreed deadline for performance, the Buyer may apply to the Seller a contractual penalty of 0.06% of the price of the undelivered goods for each day of delay, but up to a maximum of 10% of the total price of the subject of the Contract.
- 5.5 If the Buyer does not take over the subject of the Contract without a serious reason (parameters of the inspection certificate 3.1.B) or does not allow the subject of the Contract to be handed over, the Seller has the right to apply to the Buyer a contractual penalty in the amount of 20% of the total

purchase price of the subject of the Contract, while the Buyer's obligation to take over and pay for the subject of the Contract does not cease.

- 5.6 In the event that the Seller or the Buyer applies the penalty or the severance payment for the above reasons with a proper accounting (tax) document, the other Party shall be obliged to pay such penalty or severance payment.

6. SPECIAL ARRANGEMENTS

The Buyer respects the prohibition of export of the subject of the Contract for the purpose of its resale to the Czech Republic and Poland. This prohibition does not apply if the subject of the Contract is part of the final or other equipment supplied by the Buyer to these countries. In case of violation of this prohibition, the Seller shall not be liable for any defects of the product arising during the warranty period and the Seller shall be entitled to invoice the Buyer for a contractual penalty of 30% of the purchase price of the goods sold in this way.

7. FORCE MAJEURE

- 7.1 The Seller shall not be liable for delay in the performance of its obligation if the reason for the delay is an obstacle which has arisen independently of the will of the Seller and prevents it from fulfilling its obligation, if it cannot reasonably be assumed that the Seller would have averted or overcome the obstacle or its consequences and, furthermore, that it would have foreseen the obstacle at the time of the obligation (so-called force majeure). Such circumstances precluding liability include, but are not limited to, acts of God, war, strike, epidemic, embargoes or administrative interference by the state, interruption of energy supply, unavailability of necessary commodities/materials on the market, etc
- 7.2 Effects excluding liability are limited to the duration of the obstacle to which these effects are linked.
- 7.3 Unless the Parties agree otherwise in writing, the contractually agreed delivery dates are extended for the duration of the circumstances excluding liability.
- 7.4 The Seller shall immediately inform the buyer of occurrence of the circumstances precluding liability and of the reasons why it will be unable to fulfil its obligations under the Contract, as well as of the expected duration of the force majeure circumstances. In the event that these reasons cease to exist, the Seller shall inform the Buyer again, while continuing to fulfil its obligations under the Contract.
- 7.5 If performance of the Contract becomes impossible within 6 months of the occurrence of force majeure, the Seller shall request the Buyer to modify the Contract. The Parties undertake to use their best endeavours to bring about such an agreement and to fulfil the original purpose of the Contract.

8. FINAL PROVISIONS

- 8.1 The agreed terms and conditions in this Contract may only be changed by a written amendment signed by both Parties.
- 8.2 Unless otherwise agreed in this Contract, the provisions of Sections 409 to 470 of the Slovak Commercial Code shall apply.
- 8.3 We set a deadline of 20 days for the acceptance of this proposal for a purchase contract, which starts from the date indicated in this proposal.
- 8.4 The Seller may withdraw this proposal at any time during the period allowed for acceptance of the proposal.
- 8.5 This legal relationship is governed by Slovak law.
- 8.6 These General Terms and Conditions are valid and effective as of 01.04.2022, on which date they are also published and publicly available on the website www.ztssabinov.sk.