



General business conditions and terms of joint-stock company ŽOS Trnava a.s.

registered office Koniarekova 19, 917 21 Trnava, incorporated into Companies register
of District Court Trnava, section Sa, insert number: 46/T

Purchasing terms and conditions

1. Order and prices

(1) For orders of the company following purchasing terms and conditions are valid. Different purchasing and delivering terms and conditions of suppliers do not bind the company even if they are not expressly in contradiction with these General business conditions and terms (VOP).

(2) Orders of the company are legally binding for both sides, if they are confirmed by supplier on the form named "order". If the form „order“ is not within 3 days (for the purchase of compact material within 7 days) from receiving order confirmed by supplier and returned back to the company, the order expires.

2. Delivery – Taking delivery

(1) Design, volume and division of goods delivery has to be in the line with the order, respectively the structure of the order (schedule of deliveries) of the company and has to be executed on stated term. Concerning numbers of pieces, sizes, and weights relevant are values found out from incoming control executed by the company at delivery taking. The company is not obliged to take over not agreed deliveries of the parts and / or extra material and parts.

(2) If agreed delivery conditions and terms are not met, within the framework of legal rules supplier is obliged to compensate the company for damage caused by delay. If not meeting deadline is repeated company is entitled to back of a contract.

(3) Natural disasters, disturbances, administrative measures, traffic disturbances, strikes, lockouts and other operational faults in the area of company or suppliers leading to interrupting or restricting of company production or preventing company from transport of ordered goods dismiss the company from buyer obligations over their occurrence and extent if it is not possible to keep off these faults or to prevent them by available means. In this case the claims of suppliers for compensation and damages are not accepted. In case there are obstacles in transport supplier is obliged to store the goods according to the relevant regulation till the time of taking over the goods, at his own expense and risk.

3. Faulty deliveries - guarantee

(1) If not particularly agreed or declared by supplier longer guarantee for quality supplier assumes responsibility from guaranty for quality of goods delivered by him in term of 2 years starting on day of built-in a part into wagon, however, at latest up to 30 months from delivery of the goods to company. And in case of the goods repair the supplier

assumes responsibility from guaranty for quality of goods repaired by him in term of 12 months from the repair. Guarantee period does not lapse over the time when the company cannot use the good because of the defects, for which supplier is responsible.

(2) If the removal of non-conforming goods by the supplier caused for the society disproportionately incurred costs or it would not be possible, the company is authorized to remove the defect of the goods itself or through a third party. The supplier is required to pay the additional costs incurred by the company or a third party when removing the defects, in particular transport costs, labor costs and staff accommodation.

(3) Delivered goods not meeting contract provisions are given back to supplier at his expense and risk. If deliveries are not repeatedly executed at the amount and quality agreed in contract or in standard quality the company is entitled to back out of the contract.

(4) In addition to claims relating supplier stated in paragraph 1 to 3 of this provision company is entitled as well as to right to damages. By damage we understand a real damage, lost profit, and also harm caused by the fact that company had to pay costs due to breach of duties of supplier. By these costs we understand also all contractual penalties and any other sanctions applied by third party against company due to breach of contract concluded between the third party and company from the side of the company caused by the defect of the goods delivered by supplier.

(5) Relating defects of goods for which the guarantee for quality can be applied and on condition that in contract or in these General business conditions and terms is not agreed otherwise respective provisions of Commercial Code (§ 426 to 428 and § 436 to 441) are reasonably in force.

4. Legal protection of third party

Supplier guarantees that his delivery and its valuation do not breach the patents of company and other legal protection of the third party over the area of our republic and abroad.

5. Shipments – costs – risks

(1) Company reserves the right to determine route and type of transport, as well as, mean of transport and way of packing. If not agreed otherwise, deliveries are carried out freely by trucks (wagons). INCOTERMS 2010, its version which is in force at concluding contract is binding for all commercial clauses.

(2) The risks caused by the contractor and/or service provider, inclusive the subcontractors, must be controlled. For this purpose the contractor and/or service provider must take part in the process of the risk management defined in the attachment I of the regulatory statute of the commission (CE) Nr. 402/2013 z 30.4.2013.

6. Delivery documents

At carrying out delivery supplier is obliged to use delivery notes with stating the number of company order. If not agreed differently it is necessary to issue two delivery notes and two invoices for every shipment. Together with delivery notes supplier has to send as well as all requested documents (atests, certificates, etc).

7. Invoice and payment

(1) Invoice is presented only in Trnava in two copies, with clearly marked duplicate copy. Issued tax document cannot be attached to goods.

(2) Payment is settled according to agreed payment conditions. If within 10 days there is no complaint then claim is considered to be confirmed. The way of settlement is in the decision of the company. At taking over of premature delivery the agreed delivery term is valid.

(3) Without the consent of the company the supplier is not entitled to transfer his claim against the company or to collect claims by means of a third party.

8. Means of production

(1) Means of production as models, patterns, dies, tools, templates, drawings, and the like which the company provided to the supplier, or which were made by the supplier according to drawings of the company, must not be without the consent of the company made available, put in pledge, handed over to a third party or used for the benefit of a third party. The same rule is applied to objects made by these means of production. If the company did not give a written consent for use then produced objects are allowed to be handed over only to the company.

(2) After fulfilling the order of the company the supplier is obliged without special warning to hand over to the company provided means or means made at the expense of the company.

(3) The objects which are being developed or further improved in association with the supplier may be delivered only to the company.

9. Company logo and brand mark of goods

The supplier is obliged to state the company logo and brand mark of the goods as well as the part number on ordered articles if it is specified in drawings of the company or if it is decided by the company. Objects marked in this way may be delivered only to the company. The supplier is obliged to dispose of returned goods under complaint which is provided with the company logo and brand mark.

10. Business secret - advertisement

(1) The supplier is obliged to treat with company orders and with all business and technical parts relating to them as with business secret.

(2) In the supplier advertisement business connection to the company may be mentioned only if the company expressed a written consent with such an act.

11. Compliance with legislation

(1) The supplier undertakes to comply with the current legislation for health protection, health and safety at work, chemical safety (REACH), fire protection, environmental protection, road safety, ADR and further implementing rules and the related Slovak Technical Standards.

(2) The supplier is liable for damage that occurs to the company and third parties for breach of the article 1 of this General business conditions and terms paragraph.

(3) The supplier undertakes to pay costs and penalties imposed by a third party, for failure to comply with the article 1 of this General business conditions and terms paragraph caused by the supplier activity.

12. Continuing validity in case of partial invalidity

If one of these provisions of these purchasing conditions and terms from any reason expires the validity of other provisions stays in force.

13. Place of performance – seat of Court

- (1)** If not agreed differently place of all obligations performance for both sides is Trnava.
- (2)** Competent court for potential law-suits resulting from orders of company is the court with a seat in Trnava.
- (3)** Company orders, their performing, extent, executing and as well as contractual and business relations resulting from it are governed by Slovak legislative.

14. Validity and operation of a contract

These general conditions and terms of trade come into effect and operation on 21.07.2015 and are published on website of company www.zos.sk.