

Art. I**Initial Provisions**

1. The company PSJ Hydrotranzit, a. s. having its registered office at Vlčie hrdlo 90, 821 07 Bratislava, registered in the Companies Register of the District Court in Bratislava I, section Sa, insert No. 2936/B, company ID number: 35 833 106 (hereinafter referred to as "PSJ Hydrotranzit, a. s.") issues these Purchase Terms and Conditions of the company PSJ Hydrotranzit, a.s. (hereinafter referred to as the "Purchase Terms and Conditions" or "PTC") according to the provisions of section 273 of Act No. 513/1991 Coll. of the Commercial Code as amended.
2. The subject of these Purchase Terms and Conditions is to define the business, payment and delivery terms, and conditions under which the Seller shall deliver the ordered goods to the Purchaser.
3. These PTC shall govern the legal relations between PSJ Hydrotranzit, a.s. and each natural person or legal entity that is a Seller under these PTC.
4. The Purchase Terms and Conditions shall be fully binding for the contracting parties. The contractual relation between the Seller and the Purchaser shall be established by signing a contract, the subject of which is the delivery of goods. Special arrangements of the contracting parties in the contract can exclude the validity of some provisions or can modify some rights and duties resulting from these Purchase Terms and Conditions. The Purchase Terms and Conditions shall be governed by the provisions of Act No. 513/1991 Coll. of the Commercial Code as amended (hereinafter referred to as the "Commercial Code").
5. Differing arrangements agreed in the contract shall prevail over these PTC.
6. No change of the PTC during the contractual relation between the contracting parties shall influence any rights and duties agreed in contracts and agreements, even though the change of the PTC was made later.

Art. II**Basic Terms**

1. The Purchaser shall mean PSJ Hydrotranzit, a.s.
2. The Seller shall mean a natural person or a legal entity that supplies goods based on a contract concluded with the Purchaser.
3. The main customer shall mean a natural person or a legal entity in a special relationship with the Purchaser.
4. The contracting parties shall mean the Purchaser and the Seller.
5. A contract shall mean any written deed titled as a contract as well as any mutually confirmed proposal of the contracting parties that includes the basic particulars, such as: contracting parties, subject of the contract, price, and date of performance. A contract shall always be in written form. The written form shall also be necessary for a change or

termination of the contractual relation. Subject to the business custom, a contract can also be in a form of an order accepted by the Seller.

Art. III

Price and Payment Terms

1. Price of the goods shall be determined in accordance with the provisions of Act No. 18/1996 Coll. on Prices as amended, and in accordance with Decree No. 87/1996 Coll. implementing the Act of the National Council of the Slovak Republic No. 18/1996 Coll. on Prices as amended. The applicable VAT rate in force and effect at the moment of a taxable supply shall be added to the price of the goods.
2. The Seller declares that the purchase price includes all the costs connected with the performance of the Seller's obligations, in particular, however not limited to: loading of the goods in order to transport it, transport, insurance of the goods, customs, other charges, fees connected with certification of the goods, administration and similar fees, price of the documentation delivered together with the goods, packaging of the goods, tests and setting of the goods, unloading of the goods.
3. The price can only be changed by a written amendment to the contract approved by both contracting parties.
4. The Purchaser undertakes to pay to the Seller the price of the supplied goods based on monthly invoices – tax documents, while the invoiced sum shall correspond objectively and financially with the volume of the goods supplied to the Purchaser.
5. An invoice – a tax document shall include the following particulars:
 - a) Designation "Invoice" and its number,
 - b) The Purchaser's and the Seller's names and addresses of the registered office, and the address to which the invoice is to be sent,
 - c) Contract number,
 - d) Designation of a bank and an account, to which the payment is to be made,
 - e) Date of issue and sending the invoice and its maturity period,
 - f) Invoiced sum and the total invoiced sum, particulars needed for VAT,
 - g) Delivery note confirmed by the Purchaser,
 - h) Price of the goods and other price particulars,
 - i) Stamp and signature of an authorized person.
6. The invoice shall be considered settled on the day on which the Purchaser's account is debited with the invoiced sum in favour of the Seller.
7. The Seller shall deliver the invoice to the Purchaser's address by mail, or personally to the Purchaser's filing room. The invoice maturity shall be 60 days after delivered to the Purchaser.
8. In the case the invoice fails to include all the particulars in accordance with these PTC or in accordance with the contract, the Purchaser shall send such invoice back to the Seller to correct it. The maturity period of such returned invoice shall start lapsing on the day of delivery of the corrected invoice that meets all the requirements.

Art. IV

Acquirement of Title

The title to the goods shall shift from the Seller to the Purchaser at the moment the

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Purchaser accepts the goods.

Art. V

Acceptance of Goods

1. The place of the goods acceptance shall be specified in the contract.
2. The Seller shall be obligated to supply to the Purchaser the goods in the quantity and quality according to the contract, and at the same time he shall be obligated to submit all the documents related to the goods and enable the Purchaser to acquire the title to the supplied goods.
3. The Seller shall be obligated to deliver the goods to the Purchaser on the date specified in the contract. In the case the Seller delivers the goods to the Purchaser before the date agreed in the contract, the Purchaser shall be entitled to refuse accepting such goods. However, this shall not discharge the Seller from the duty to deliver the goods to the Purchaser on the date, and in the quality and quantity specified in the contract.
4. Together with the goods, the Seller shall be obligated to deliver to the Purchaser all the documents necessary in order to accept and use the goods and all the documents requested by legal regulations or technical standards for the placement and utilization of the goods in force in the territory of the SR, in particular, however not limited to the necessary certificates, test certificates, declarations of conformity, instruction manuals, manuals, documents proving the acquirement of a license or other intellectual property right, letters of guarantee, etc. (hereinafter referred to as the "necessary documents") exclusively in Slovak language. The Purchaser shall be entitled, however not obligated, to accept the goods without the necessary documents, however this shall not discharge the Seller from the duty to submit the necessary documents to the Purchaser. In such case, the goods shall be considered delivered only after all the necessary documents have been submitted.
5. The Purchaser shall be entitled to request the Seller to supply the goods in partial deliveries, as specified by the Purchaser.
6. The Purchaser shall be entitled not to accept the goods if:
 - a) The goods are defective,
 - b) The goods have not been delivered on time,
 - c) The delivery is incomplete,
 - d) The necessary documents have not been delivered together with the goods,
 - e) There is a right of lien or other right that could restrict the Purchaser's disposal of the goods or acquirement of the title.
7. The contracting parties shall prepare a protocol on the delivery and acceptance of the goods, which shall include in particular:
 - a) Quantity of the goods delivered,
 - b) Quality of the goods delivered,
 - c) Any discovered defects,
 - d) A note that all the necessary documents have been submitted or specification of the ones not submitted,
 - e) Any other important facts.
8. The Purchaser conditions the acceptance of the goods by demonstration of the goods and/or verification of their functionality and/or performance of tests or visual inspection

and/or verification of functionality of the goods and/or participation at performance of tests and/or take-over of the goods at the manufacturer.

9. In the case the Purchaser exercises any of its rights specified in the previous paragraph the Seller shall be obligated to demonstrate the goods, verify their functionality, and test the goods at the Seller's expense and risk.
10. In the case the Purchaser exercises his right for visual inspection of the goods and/or verification of the functionality of the goods and/or participation at performance of tests and/or take-over of the goods at the manufacturer, the Seller shall be obligated to secure such acts at the manufacturer and to inform the Purchaser at least 7 days in advance about the date of the act in question.
11. At the Purchaser's request, the Seller shall be obligated to participate at complex and functionality tests.
12. The Seller declares and bears responsibility for the fact that there shall be no right of lien or other right that could restrict the Purchaser's disposal of the goods or acquirement of the title.

Art. VI

Guarantee and Responsibility for Defects

1. The Seller provides the Purchaser with a guarantee for the goods supplied under the purchase contract.
2. The guarantee period shall stop lapsing for the period during which the Purchaser cannot use the goods due to a defect.
3. The risk of damage of the goods shall shift to the Purchaser on the day of proper delivery and acceptance of the goods in the quantity and quality as specified in the contract and after the submission of the necessary documents.
4. The purchaser shall inform the Seller about any defects of the supplied goods or individual products in writing by fax, e-mail, mail or by a record made during the goods delivery and acceptance.
5. In the case the goods are defective or if any defect arises during the guarantee period, the Purchaser shall be entitled to request the following from the Seller:
 - a) Repair, or
 - b) Substitute performance,
 - c) Additional performance.
6. However the Purchaser shall always be entitled to refuse the substitute performance or the additional performance. The new guarantee period shall start lapsing on the day of accepting the repair of the defective performance.
7. The Seller shall be obligated to start repairing the defects of the goods no later than in 48 hours after receiving the complaint from the Purchaser. The Seller shall be obligated to start repairing the defects of the goods that prevent the goods or a part of them from being used properly no later than within 24 hours after receiving the complaint from the Purchaser.
8. For this purpose the start of repair shall mean any Seller's act leading to the repair of the defect, which however shall not include visual inspection of the defect and consideration of the defects by the Seller.
9. The Seller undertakes to repair the defect of the goods in a deadline agreed on with the Purchaser. If the Seller and the Purchaser fail to come to an agreement about the deadline for the repair of the defects of the goods, the Purchaser shall be entitled to

unilaterally set a binding deadline for the repair of the defects of the goods for the Seller. The Purchaser shall take into consideration the character of the defect and availability of materials and devices necessary in order to repair the defect.

10. The Seller shall be obligated to repair the defect of the goods, the responsibility for which the Seller denies, if such repair cannot be laid aside. In such case all the reasonable costs shall be borne by the Purchaser based on the mutual agreement of the contracting parties. In such case, the sum of the Seller's costs shall be set using the usual prices at the time of the defect repair.
11. If it is evident that the defects of the goods under the Seller's responsibility have caused other defects of the goods or any defects of other devices and/or property, the Purchaser shall be entitled to charge the Seller with the costs connected with the repair of such defects, if the Seller has been obligated to repair such defects and/or request indemnification from the Seller, if the Seller has been obligated to pay for the repair of the defects or for the damage arisen.
12. In the case the Seller fails to repair the defects of the goods within the set deadline, the Purchaser shall be entitled to:
 - a) Repair the defects himself or have the defects repaired by a third party at the Seller's expense,
 - b) Claim a contractual fine from the Seller,
 - c) Request indemnification from the Seller,
 - d) Withdraw from the contract as regards the defective performance.
13. The Seller shall be obligated to repair the defects of the goods complained about during the guarantee period free of charge.

Art. VII

Contractual Fines and Sanctions

1. In the case the Purchaser delays to pay the purchase price, the Seller shall be entitled to claim a late payment interest amounting to 0.02% from the overdue sum for every commenced day of delay from the Purchaser.
2. In the case the Seller delays to deliver the goods in the quality and quantity specified in the contract, the Purchaser shall be entitled to claim a contractual fine amounting to 0.5% from the purchase price for every commenced day of delay from the Seller.
3. In the case the Seller delays to deliver the necessary documents, the Purchaser shall be entitled to claim a contractual fine amounting to 0.5% from the purchase price for every commenced day of delay from the Seller.
4. In the case the Seller fails to observe his obligation to repair defects of the goods within the set deadlines, the Purchaser shall be entitled to claim a contractual fine amounting to EUR 1,000 for every defect and for every commenced day of such delay.
5. If the Purchaser withdraws from the contract in accordance with Article IX, par. 3, 4, 5 of these PTC, the Purchaser shall be entitled to claim a contractual fine amounting to 20% from the total price from the Seller.
6. Payment of the contractual fine shall not influence the Purchaser's rights for indemnification.

Art. VIII

Intellectual and Industrial Property Rights

The Seller shall be responsible for the fact that the delivery and usage of goods shall not

breach any third party's intellectual and industrial property right. The Seller shall be obligated to indemnify the Purchaser in the case any third party's claims arise due to a breach of any intellectual and industrial property rights.

Art. IX

Termination of Contractual Relation

1. The contract can only be terminated by means of an agreement of the contracting parties or by withdrawal from the contract in accordance with these PTC, or in accordance with the contract and pursuant to the general legal regulations.
2. Withdrawal from the contract shall be in writing and shall be delivered to the other contracting party. It shall specify the reason for withdrawal. Withdrawal from the contract shall come into effect on the date of being delivered to the other contracting party, and the contract shall terminate as of such date.
3. The Purchaser can withdraw from the contract if the Seller seriously breaches its contractual obligation in accordance with par. 4 of this article.
4. The following shall be considered as a serious breach of contractual obligation:
 - a) Defective performance by the Seller, while the Purchaser informed the Seller in writing about such defective performance during the contract duration and the Seller failed to repair such defective performance in spite of that, or
 - b) Delivery of defective goods, or
 - c) Failure to deliver the necessary documents even within an additional deadline, or
 - d) Repeated breach of the contractual obligations, or
 - e) If there is a right of lien or other right that could restrict the Purchaser's disposal of the goods or acquirement of the title, or
 - f) Declaration or behavior or conduct of the Seller that could harm the good reputation or business credibility of the Purchaser, or
 - g) The Seller breaches the obligation of confidentiality.
5. Further, the Purchaser can withdraw from the Contract in the following cases:
 - a) The Seller becomes insolvent or a bankruptcy order is filed against the Seller, or the Seller files a petition for a restructuring proceeding, or a bankruptcy petition was refused due to insufficient property, or the Seller entered liquidation, or
 - b) It is clear that the Seller failed to observe his obligation resulting from the contract or from these PTC and the Purchaser is not interested in accepting the delayed performance, or the Seller failed to observe his obligation resulting from the contract or from these PTC in additional deadline, or
 - c) In spite of the Purchaser's warning, the Seller repeatedly breaches his obligations resulting from the contract or from these PTC.
6. In the case the Purchaser withdraws from the contract in accordance with this article, the Seller shall be obligated to indemnify the Purchaser for the actual damage and for lost profit arisen to the Purchaser.
7. Withdrawal from the contract shall not influence the claim for any contractual fine.

Art. X

Annexes

The following annexes shall be an inseparable part of the contract:

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|----------------------------------|-----|----|
| a) Technical and delivery terms* | yes | no |
| b) Production schedule* | yes | no |

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c) Plan of inspections and tests*	yes	no
d) Price offer*	yes	no

* *cross-out as appropriate*

Art. XI

Effectuality of Documents

In the case of discrepancies between the information and data specified in individual documents, the sequence of effectuality of the documents shall be as follows:

1. Contract
2. Specifications and instructions from the Purchaser
3. Technical and delivery terms
4. Seller's offer

Art. XII

Final Provisions

1. Technical, production or business information learnt by the contracting parties during the contract duration shall be subject to a trade secret, even after the contractual relation terminates. The contracting parties can use the trade secret exclusively for the purpose agreed in the purchase contract, and shall not disclose it to any third party.
2. In the case of a change of a business name, address, registered office, account number, or other change that could influence the performance connected with these PTC or with the contract (e.g. bankruptcy petition, petition for restructuring proceeding, commencement of a distraint proceeding, decision about a dissolution of a company, change of a statutory body, etc.), the contracting party on the side of which the change in question occurred shall be obligated to inform the other contracting party about such change no later than within 3 days after the change comes into effect.
3. The communication between the contracting parties shall be delivered according to the applicable provisions of Act No. 99/1963 Coll. of the Code of Civil Procedure as amended.
4. Without the Purchaser's prior written consent, the Seller shall not be entitled to assign the rights (including receivables) towards the Purchaser arisen based on the contract, confirmed order, these PTC, or in connection with them to any third party (parties). At the same time, without the Purchaser's prior written consent the Seller shall not be entitled to set off his rights (including receivables) towards the Purchaser arisen based on the contract, confirmed order, these PTC or in connection with them against the rights (including receivables) that arose or will arise to the Purchaser towards the Seller.
5. The contracting parties shall solve any arisen dispute first of all amicably.
6. If any dispute between the contracting parties fails to be solved amicably, the courts of the Slovak Republic shall be competent to decide and the governing law shall be the law and order of the Slovak Republic.