

Terms and Conditions**I GENERAL PROVISIONS**

1. These Terms and Conditions govern the sale and purchase of goods between Buyer and Seller where Seller is the joint stock company with business name: Železiarne Podbrezová a.s., registered office: Kolkárň 35, Podbrezová, 976 81, company ID (IČO): 31 562 141, registered in the Companies Register of the District Court of Banská Bystrica, section: Sa, entry ref. No.: 69/S
2. Any deviating provisions in the Purchase Contract (hereinafter PC) shall supersede the wording of these Terms and Conditions
3. Legal relations not dealt with by the PC or these Terms and Conditions shall be governed by respective provisions of legal regulations of the Slovak Republic.

II PURCHASE CONTRACT

1. A purchase contract is always executed in written form. This form of legal act is also required when amending or cancelling a purchase agreement. The Parties hereby agree on an acceptance period of 5 days, which starts to lapse from the date given in the draft PC. Without acceptance, the draft PC will cease once this term lapses.

III TERMS OF DELIVERY

1. Unless stipulated otherwise in the PC, the day the obligation is met and entitlement arises to bill the agreed purchase price, is deemed the day on which the goods are handed over to the first carrier for carriage and the shipment is marked as a shipment for Buyer.
2. Where Buyer agrees on its own transport from the registered office of Seller, Seller shall notify Buyer in writing that the goods are ready for collection. Where Buyer fails to collect the goods by 10 days from this notification, the goods shall be deemed as supplied with resulting entitlement to bill the purchase price and storage costs of EUR 2/1000 kg per day of storage. Seller is authorised to retain the goods until such times as Buyer pays not just the agreed purchase price, but also storage fees and reasonable costs incurred from retention of the goods. In such an event, Seller bears no liability for defects that could not have been prevented by the available method of storage (e.g. atmospheric corrosion). Seller is entitled to arrange transport of the goods to the address and at the expense of Buyer, charging remuneration of 1% of the price of the transported goods for mediating the transport, or it may withdraw from contract.
3. Buyer (natural person) is obliged when collecting the goods in person to present confirmation of identity of Buyer (e.g. trading license, identification card ...) and to sign for acceptance of the goods defined by the purchase contract in person on an original document on proof of supply (bill of lading, freight bill) stating that this concerns Buyer.
4. A natural or legal entity authorised by Buyer for collection of the goods in person and for the transport of the goods, or their employee, is obliged to present and hand over to Seller a power of attorney or other document authorising the collection of the goods defined by the purchase contract, and to sign in person for collection of the goods on an original document on proof of supply stating that this concerns an authorised employee or authorised freight forwarder.
5. When Buyer fails to present or hand over the documents stated under items 3 and 4, Seller shall be entitled to withdraw from the contract. Buyer hereby undertakes to compensate Seller for loss incurred over failure to satisfy the obligations imposed on Buyer pursuant to Article III, items 3 and 4.
6. Before entering into a contract with Seller, Buyer is obliged to present a copy of the VAT registration certificate and to state in each contract the valid VAT identification number. Buyer is obliged to notify Seller immediately in writing about each change to or cancellation of the VAT identification number of Buyer.
7. Where transportation of the goods is arranged or performed by Seller, Buyer shall be obliged to confirm receipt of delivery of the goods directly on the shipping document, demonstrating transport of the goods to another member state of the EU, indicating the place and date of collection of the goods. Where transportation is arranged or performed by Buyer, immediately after delivery of the goods it shall be obliged to provide Seller with documentation relating to transportation of the goods (where transport is arranged – confirmed shipping document containing the address of the place and the date of collection, where transport is performed – confirmation of Buyer that it transported the goods and collected the goods in another EU member state with legally required particulars: business name and address of Buyer, volume and type of goods, address of the place and date of transport to final destination, name and surname of vehicle driver written in block capitals and driver's signature, vehicle registration number. Buyer is obliged to arrange transportation at its own expense to the destination as per the PC. If Buyer is in breach of the above obligations, it shall be obliged to settle subsequent VAT and sanctions levied on Seller from the side of respective tax authorities, no later than by ten (10) calendar days from the day the billing of Seller is delivered to Buyer.
8. If Buyer arranges transport in the case of exporting the goods outside the countries of the EU, it is obliged to arrange the transport at its own expense right to the destination as per the PC. Buyer is also obliged to provide alternative proof on exit of the goods from the territory of the EU where so requested by Seller, no later than 120 days from releasing the goods to export mode by the customs authority. If Buyer is in breach of the above obligations, it shall be obliged to settle subsequent VAT and sanctions levied on Seller from the side of respective tax authorities, no later than by ten (10) calendar days from the day the billing of Seller is delivered to Buyer.
9. If Buyer presents Seller with documents confirming transport of the goods to another member state of the EU, but nevertheless fails to transport the goods to the other EU member state, instead processing, modifying or otherwise appreciating the goods in the territory of the Slovak Republic, and then the tax administrator levies additional VAT on Seller due to its failure to demonstrate transport of the goods to another EU member state, while at the same time imposing a sanction on it, Buyer undertakes to pay Seller the additional VAT and imposed sanction from title of compensation of loss, this to the full amount within ten (10) calendar days from delivery of billing to Buyer.
10. Unless agreed otherwise in the PC, the decisive unit for contractual performance and billing is kilograms of supplied goods. A tolerance of $\pm 5\%$ of the volume agreed in the PC is permitted.

IV TERMS OF PAYMENT

1. Billing documents shall be payable by the term stipulated in the PC, which shall start to lapse from the day they are sent. Seller reserves the right to bill also partial supplies of goods where agreed. Unless agreed otherwise in the PC, the document for settlement of the purchase price shall be an invoice, which also serves as the tax document. Unless agreed otherwise, billing documents, including corrections, shall be payable within 14 days from being sent.
2. Seller shall compile billing in parity A, meaning the purchase price and freight cost are billed separately.
3. Packages marked as returns shall be charged by Seller as a separate item together with the goods. Value added tax is charged separately. If packages are returned to Seller

undamaged by 6 months from dispatch of the goods, stating the number of the document used to bill for the goods, Seller is obliged to accept them at the contractual price. Costs for the return transport of the packages is paid by Buyer. The price shall not be returned if failing to meet the aforementioned conditions.

4. Objections to a billing document must be notified to Seller within the due term.
5. The purchase price is deemed settled on the day it is credited to the account of Seller, provided it is by bank transfer. If Buyer accepts the supply of a larger volume of goods than set out in the PC, it shall be obliged to pay the price for the actual supplied volume at the unit price agreed in the PC.
6. Buyer undertakes to pay Seller default interest comprising 0.02% of the purchase price (other price) for each day overdue with payment of the purchase price (other price) in cases where Seller charges for it. Being overdue with payment of the purchase price (other price) is understood as failure to pay it by the due term stated on the respective tax document, which is the basis for payment. The document for payment of default interest is its billing. If Buyer has no objections to the accuracy of the charged default interest within the due term, this shall mean the Parties agree that Seller is authorised to bill and enforce the default interest and to the correct amount.

V LIABILITY FOR DEFECTS, CLAIMS FOR DEFECTS

1. Seller provides a warranty on the quality of the goods for a period of 12 months from delivery of the goods.
2. Buyer is obliged to notify Seller about evident defects to the goods within 15 days from the day the goods are delivered to the destination, with other defects to be reported as soon as they are discovered. Rights in relation to defects shall cease if the defects are not reported on time, this no later than by 12 months from the day the goods are delivered. The supply of goods with defects is not deemed as fundamental breach of contract.
3. If the reporting of defects (claims) is done by email, telephone or by fax, it must be followed by a written notification. The notification of defects must contain: purchase contract reference, description of defects and their manifestations, number of defective pieces.
4. At the request of Seller, Buyer must allow Seller to physically check the justification of a claim. Goods subject to claims must be stored separately until the claim is arranged. Manipulation with these goods preventing or obstructing verification of a claim without the prior consent of Seller is forbidden.
5. A claim concerning the quantity of goods must be proven by Buyer in a manner with the validity of an official weighing or inspection certificate.
6. A claim concerning the quality of the goods must be proven by Buyer in a manner with the validity of official measurement or an inspection certificate.
7. Seller shall not be liable for direct or indirect losses or lost profit incurred by Buyer from use of the subject of purchase for a different purpose, or in an environment requiring different qualitative properties than those given in the order or in the technical terms of delivery of this purchase contract.
8. The responsibility of the Parties for partial or complete failure to fulfil contractual obligations is thereby excluded:
 - a) by Force Majeure. Cases of Force Majeure, including but not limited to, natural disasters, wars, war operations of various kinds, rebellions, civil unrest, sabotage, revolution, acts of piracy, explosions, fires, flooding, general strikes, lockouts, official interventions of a legal and illegal nature, or other circumstances occurring independently of the will of the parties, outside the control of the parties, and which could not have been prevented, avoided or overcome. If the Force Majeure is in place for less than 60 calendar days, the parties are obliged to fulfill obligations arising out of the contract once the effects of the Force Majeure have passed. The terms of delivery or all other terms are extended analogically by the duration that the Force Majeure is in effect.
 - b) as a result of an intervention of official places of the country of the seller or buyer, which makes it impossible to fulfill contractual obligations by the parties. The party making reference to Force Majeure is obliged to notify to the other party without delay, no later than by 5 calendar days, by fax, e-mail or other manner, about the onset of the circumstances of the Force Majeure. The cessation of Force Majeure circumstances is notified to the other party in the same way.

VI FINAL PROVISIONS

1. Sellers is authorised to withdraw from the purchase contract in the event of fundamental breach of contractual obligations:
 - a) delay of Buyer with payment of the purchase price for the supply of goods, this also for partial deliveries and repeat performance. When Seller withdraws from the purchase contract on these grounds, Buyer is obliged to pay Sellers demonstrably incurred costs spent on fulfilment of contractual obligations of Seller and lost profit, this by 30 days from their billing.
 - b) failure to report any of the stated circumstances by Buyer without undue delay: winding up of company with liquidation, declaration of bankruptcy on assets of Buyer, restructuring, winding up without liquidation, change of legal form, change of company registered address or correspondence address.
 - c) breach of contractual obligations set out under Article III, items 2, 3 and 4. Withdrawal from the purchase contract shall be effective upon delivery of the expression of will of Seller to withdraw from the contract to Buyer.
2. Buyer is authorised to export goods outside the territory of the Slovak Republic only with the written consent of Seller. Buyer is obliged to pay Seller in full for any loss incurred by breach of this obligation.
3. Where Seller is overdue with delivery of the goods, the Parties hereby agree on a contractual penalty:
 - when up to 30 days overdue, 0.5% of the purchase price of unsupplied products,
 - when over 30 days overdue, 1% of the purchase price of unsupplied products.
 Buyer must apply these pecuniary sanctions at Seller within 4 months at the latest from the date the contractual conditions of the PC are met.
4. The goods shall remain the property of Seller until complete payment of justified claims by Buyer, together with related effects.
5. For an explanation of the commercial clauses, refer to the regulations contained within the delivery procedure section of the international policy published by the International Chamber of Commerce in Paris – INCOTERMS 2010, if the contract sides don't establish something else.
6. All controversies resulting from specific contracts or controversies linked to them and also arising from them, shall be resolved by the parties mainly by way of agreement between them. If no agreement is reached, the controversies will be exclusively and with final force settled and decided on by the Arbitrary order of the Arbitration Court of the Slovak Chamber of Commerce and Industry in Bratislava. The sides are in this case obliged to fulfil and accomplish the arbitrary judgement without delay. This is valid if the parties to the contract do not have another agreement and if they don't introduce it explicitly in the Purchase Contract.
7. These sale conditions are valid for 2020 or until an agreement on new terms has been concluded.