

General delivery terms and conditions of company Hovis & Dilta s.r.o.

Article I. Introductory provisions

1.1. General Delivery Terms and Conditions of Hovis & Dilta s.r.o. (hereinafter referred to as "GDTC") constitute an inseparable part to Frame Contract, Contract, Order or Order Confirmation (all hereinafter referred to as „Contract“). Presentation of Order implies Buyer's complete consent with these GDTC without any reservation. No other special terms prevail over GDTC, unless approved by Seller in writing. No term whatsoever can contradict these GDTC no matter when presented by Buyer.

1.2. If Seller accepts Buyer's Order, then Seller issues the Contract and presents it to Buyer. Buyer must sign the Contract and return one signed Contract original to Seller. At this moment, Contract is deemed to be concluded.

1.3. Parties shall be bound by following order of precedence:

1.3.1. Contract

1.3.2. GDTC

1.3.3. Recommendations for care of material during its transport, warehousing and inspection, if attached to Contract

1.3.4. Law of Slovak republic, primarily Slovak Commercial Code.

Article II. Payment and delivery conditions

2.1. Buyer must state in each Buyer's Order Buyer's VAT Identification number valid in the country of destination of goods (VAT ID). Buyer must notify to Seller immediately in writing any change or termination of Buyer's VAT ID. Buyer must, upon Seller's request, supply Seller with the documentation related to delivery of Goods from Seller to Buyer (for example transport document including forwarder's name and signature, Buyer's certificate or transport of Goods to the place of destination by Buyer) including Certificate of receipt of Goods issued by the person who received Goods on behalf of Buyer. If Buyer violates these obligations, Buyer must indemnify Seller for the sanctions imposed to Seller by Tax Authorities due to violation of Buyer's obligations stated in this section 2.1.

2.2. Delivery conditions and price is stated according to INCOTERMS 2000 upon agreement of both Parties. No amount shall be deducted from price of Goods. All bank charges imposed by the bank different from Seller's bank have to be paid by Buyer.

2.3. Seller has no obligation to deliver Goods to Buyer unless Buyer shall provide Seller with irrevocable bank guarantee or irrevocable documentary letter of credit or promissory note or advance payment transfer in strict conformity to terms stipulated in the Contract.

2.4. Seller has no obligation to deliver Goods to Buyer and Seller is entitled to stop production of ordered Goods if Buyer is in delay with payment of price of Goods.

2.5. Seller has no obligation to deliver Goods to Buyer unless Buyer submits transport instructions of Goods to Seller in writing at latest ten (10) days prior to agreed time of delivery of Goods.

2.6. Buyer is not entitled to withhold any payment to Seller or to withhold the Goods which are to be returned to Seller or unilaterally set off its claims towards Seller. Any Buyer's claim will be solved separately, not having any impact on duty to pay purchase price of Goods by Buyer to Seller in agreed due date. No steps necessary for inspection or take-over of Goods by Buyer do entitle Buyer to withhold the payment.

2.7. Partial deliveries of Goods are allowed.

2.8. Time for delivery of Goods is stated only approximately and actual date of delivery may vary from stated date.

2.9. Weight of Goods ascertained on Seller's scales is binding for both Parties.

2.10. Seller shall deliver the Goods fit for usual use and shall pack the Goods or prepare Goods for transport in the manner necessary for preservation and protection of the Goods.

2.11. If Goods are not delivered to Buyer despite of delivery of dispatch advice of Goods, then Buyer is obliged to inform Seller immediately in writing not later than twenty-one (21) days from receipt of dispatch advice by Buyer.

2.12. If Buyer is obliged to procure transport of Goods, then Buyer is obliged to take over the Goods from Seller at the latest within five (5) days from the day of receipt of Seller's Advice Note.

2.13. If Buyer violated previous paragraph 2.12., Seller is entitled to:

- Dispatch the Goods on the costs and risk of Buyer, or,
- Store the Goods on the costs and risk of Buyer in the warehouse of Seller or in warehouse of any third person. In case of storage of the Goods in Seller's warehouse, Seller is entitled to charge to Buyer the cost of storage in amount of EUR 0,50 per each ton of Goods or part thereof for each started day of storage or part thereof. In case of storage of the Goods in warehouse of third person, Seller is entitled to charge to Buyer the cost of storage charged by such third person.

2.14. In the event of provable decrease of Buyer's economical situation (especially decrease of solvency, or decrease of results stated in balance sheet and in profit-loss sheet), Seller is entitled to change unilaterally the payment condition or decrease the credit limit for the purchase of Goods by Buyer.

2.15. Each Buyer's payment made to Seller is considered to be completed at the time the total amount of such payment is credited to Seller's bank account.

2.16. Buyer cannot assign or trade in any way the Contract claims without prior written Seller's consent.

Article III. Ownership and pass of risk to Goods

3.1. If Buyer is in delay with payment of price of Goods, then Seller reserves the right to repossess the Goods and/or re-export the Goods. Buyer must provide to Seller all assistance requested by Seller. Cost of Goods repossession and re-export are at Buyer's account.

3.2. The risk to Goods shall pass from Seller to Buyer according to agreed delivery condition as per INCOTERMS 2000.

3.3. Ownership to Goods will pass from Seller to Buyer at the time the payment of purchase price of Goods is credited to Seller's bank account.

Article IV. Transport tools

4.1. Tarpaulins, stops and any packing material of the Goods are non-returnable transport aids. The cost of their disposal and storage after pass of risk to Goods to Buyer are at Buyer's account.

Article V. Liability for defects of Goods

5.1. Seller manufactures the Goods according to agreed technical specifications for dimensional (DIN 18 182, DIN 59 413), mechanical, physical, surface or other agreed characteristics. Any additional customer requirements must be stated clearly in the Contract.

5.2. If Buyer violated any obligation stated in this Article or in Recommendations for care of material during its transport, warehousing and inspection attached to Contract, any claim of defects of Goods shall expire unless approved otherwise by Seller in writing.

5.3. Buyer is obliged to notify to Seller the nature and specifics of:

- a) Obvious defects of Goods detected during its inspection, as well as differences in quantity of the Goods within thirty (30) days from the day of delivery of Goods to the place of destination pursuant to Contract,
- b) other defects of Goods immediately after their detection, at the latest within six months from the day of delivery of the Goods to the place of destination pursuant to Contract.

5.4. Buyer is obliged to notify the defects of Goods to Seller by a registered letter together with following documents and data:

- duplicate of Bill of freight (CMR, CIM, B/L),
- number of both Contract and invoice concerned,
- identification data of the Goods (unit number, dimensions, weight, number of heat, etc.)
- description of defects including their accurate and complete photo documentation,
- Commercial Report or Survey Report, if defects emerged during transport of Goods,
- preliminary evaluation of damage of Goods made by Buyer and confirmed in writing by independent expert.

Buyer may provide notification of defects of Goods to Seller also by e-mail or fax confirmed by Seller.

5.5. If damage to Goods occurred during transport, or such damage was detected during its transport and according to agreed INCOTERMS 2000 delivery parity Seller is liable for such damage, Buyer is obliged to notify to Seller defects, damages or losses to Goods enclosed with the following documents:

- Damage Report with preliminary evaluation of damage occurred to Goods,
- Commercial Report confirmed by the forwarder,
- Bill of freight (CMR, CIM, B/L),
- Survey Report, if any exists,
- number of both Contract and invoice concerned
- identification data of the Goods (typ, delivered quantity, delivery date),
- complete photo-documentation of the Goods loaded on the transport engine (truck, railway wagon, ship)

5.6. Any claim of Goods does not entitle Buyer to refuse to make payment or refuse to take other Seller's delivery.

5.7. The Goods determined by Buyer to be defective because of assumed Seller's mill related responsibility shall be set aside for review with the appropriate Seller's personnel. The Buyer is advised to inspect a minimum of 10 % of a coil when an individual coil or bundle is identified with a high amount of imperfections. Goods claimed by Buyer must be stored separately in their original condition. Buyer is not entitled to use or sell claimed Goods without Seller's written consent before complete settlement of the claim. If the claimed Goods is not available for inspection, the Buyer is not entitled to any claim of defects.

5.8. Any claim of Goods expires upon any use or sale of claimed Goods or part thereof by Buyer.

5.9. If Seller recognize the Buyer's claim, Seller is entitled to:

- Remove the defects of Goods recognized by Seller within a time necessary for Seller for proper removal of defects of Goods, or,
- perform additional or replacement delivery of the Goods under the Contract conditions, or,
- set forth appropriate discount of price of Goods in the value of particular defects of Goods recognized by Seller.

5.10. If Goods are delivered as "not the first-class" or „Non-Prime“ as agreed, no claim for defects is allowed.

5.11. If Goods are delivered as agreed as not packed or not oiled cold or hot rolled material, Seller is not responsible for corrosion of Goods.

5.12. Goods delivered as per Contract are provided with residual cold mill oil. The Goods include off gage (thickness) at the profile ends.

5.13. Seller provides guaranty only for 97% of prime quality of total delivery of Goods in delivery.

5.14. Buyer must resolve any issues related to quality and defects of Goods separately with Seller's Sales Department.

5.15. The Seller is not liable for defects in Goods caused by violation of Binding Instructions for care of material during its transport, warehousing and inspection or by wear and tear, abnormal, unskilled or unsuitable conditions of storage, use, installation or testing of the Goods or due to assembly with other non authorized Goods, attempts to modify or repair the Goods, for reasons related to unsuitable handling, transport and stocking, or any reason other than their normal use.

5.16. In case of reclamation of defects of Goods by Buyer, Buyer must allow to Seller the access to defected Goods for the purpose of inspection and review of Goods by Seller.

5.17. Buyer shall not sue Seller for fine or indemnification of defects of Goods. Buyer may claim Seller for indemnification of defects of Goods only if he fulfilled towards Seller all of his contractual obligations.

Article VI. Force Majeure

6.1. The Parties agree with the definition of Circumstances of force majeure stated in booklet titled "Force majeure and difficult delivery" published by International Chamber of Commerce in Paris, France under no. 421.

6.2. Any circumstances of force majeure shall be confirmed by relevant Chamber of Commerce or state authority.

Article VII. Sanctions

7.1. In the event of non-payment of price of Goods by Buyer to Seller within agreed term, Buyer shall pay to Seller delay interest rates in amount of 0.05% of due sum per each day of delay.

7.2. Buyer shall pay to Seller contractual fine in the amount of 20 % of total purchase price according to Contract for every single violation if Buyer has assigned or traded in any way the Contract claims without prior written Seller's consent. The Seller's claim for damages remains intact in full extent.

7.3. Seller considers any data stated in the Contract and any information or documents retained in relation with the Contract as confidential and Buyer shall be obliged not to supply them or allow access to them in any form to any third person except as stated by law or required by Contract.

7.4. Except in the case of Seller's intention or gross negligence, Seller accepts no liability for damage to Buyer's property, Buyer's personnel or of third parties involved in the delivery of Goods.

7.5. Court cannot decrease the amount of contractual fine agreed in the Contract.

Article VIII. Contract Termination

8.1. Either Party shall be entitled to terminate the Contract immediately by written notice if:

- a) other Party repeatedly violated the provisions of the Contract (including GDTC), or,
- b) other party violated the Contract (including GDTC) in the substantial manner - Contract violation in the substantial manner means violation of payment conditions (Buyer's delay with payment in excess of 10 calendar days), violation of obligation to secure payment of purchase price of Goods or non-takeover of stated volumes of Goods in agreed terms as well as refusal to assist during delivery, or,
- c) it is stipulated by Contract (including GDTC).

8.2. Seller shall also be entitled to terminate the Contract immediately by written notice if Buyer violates his obligations according to agreed payment conditions and conditions stated in GDTC.

8.3. The Contract termination shall be valid and effective from the day of its delivery to the other Party and it relates to the respective Contract as well as to any order confirmed in writing by Seller on the basis of Contract unless Seller already made shipment of Goods to Buyer upon such order confirmation.

Article IX. Final provisions

9.1. Any and all previous agreements, or understandings of any nature whatsoever concluded between Parties which relate to Contract subject matter shall expire on the first day the Contract shall come into effect.

9.2. Either Party shall immediately notify in writing to other Party any change of its business license or company register data, which have direct impact on terms and performance of Contract or any official commencement of liquidation or bankruptcy procedure against notifying Party.

9.3. Any Amendment to Contract shall be in writing specifically prepared for such purpose, numbered and signed by duly authorized representatives of both Parties.

9.4. The disputes arisen from the Contract shall be settled by Courts in Brezno, Slovak republic.