

General Purchasing Terms and Conditions of Cable Connect s.r.o.

I. Initial Provisions

- These General Purchasing Terms and Conditions (hereinafter referred to as the "GPTaC") govern the sale and purchase of goods, services and investments between the buyer and the seller as the limited liability company: Cable Connect s.r.o., ul. V. Trvdého 17, 010 01 Žilina, Company ID: 44 703 929, registered in the Companies Register of Žilina District Court in Section Sro, Insert No. 51094/L, facility: Závodná 459, 027 43 Nižná. GPTaC shall represent an inseparable part of the Purchasing and Sales Agreement, agreement, order or reference of supplies (hereinafter referred to as the "Agreement").
- Other terms and conditions as well as arrangements agreed in writing by the parties hereto shall have priority to these GPTaC.
- All terms and conditions of the Seller not compliant to GPTaC of the buyer and not part of provisions of the Agreement shall be considered as not obligatory for the buyer, even if the buyer does not explicitly refuse them. The handover of goods shall not be considered as accepting of purchase terms and conditions of the Seller.
- Parties hereto shall follow the following order of priority:
 - Agreement
 - Other terms and arrangements
 - GPTaC
 - Legal regulations of the Slovak Republic

II. Contractual Relationship

- The Agreement shall always be in writing, this form is also required for its amending, supplementing or cancelling. The Agreement shall be presented on the form of the buyer. Orders, references to supplier may be realised using the remote transfer of data.
- Unless the Seller confirms the agreement within two weeks of its delivery, the Buyer shall have the right to cancel it. Orders / references to supplier shall be binding at the latest when not refused by the Buyer within 3 workdays of their delivery.
- If the subject of delivery is aimed for use in one of factories of the Buyer, deliveries shall be cancelled and paid by the factory, unless otherwise stipulated by the Buyer.
- The Buyer may require from the Seller changes in the subject of delivery in terms of realisation or construction. Probable consequences related to reduced or increase costs, as well as deadlines or deliveries must however be dealt with in an adequate manner after mutual agreement and by final approval of the Buyer.
- The Buyer shall have the right to withdraw from the contractual relationship, if:
 - The Seller is unable to realise the delivery in line with the Agreement and agreed terms and conditions.
 - Flawed goods is supplied repeatedly, if the Seller is repeatedly in delay with deliveries, if he is insolvent or if a proposal to declare the Seller's bankruptcy was made, etc.
 - The Seller violates provisions of these GPTaC.

III. Offer and Order

- Offers shall be provided by the Seller free of charge and they shall be considered as not binding by the Buyer. They shall contain: subject, quality, quantity and price, payment and delivery conditions, validity of the offer as of the day of order issue. Unless otherwise stated in the inquiry, the offer shall be sent to the Buyer in writing (electronically or by mail) within two (2) workdays of the day of inquiry (oral or written).
- The Buyer shall deliver the order to the Seller in writing. The order shall contain the exact address of the Buyer – payer of goods, required dates of deliveries and other terms and conditions needed for the Seller to be realised for flawless and proper manner of delivery. The Seller shall confirm the order to the Buyer no later than two (2) workdays. If the Seller does not confirm the order within 2 workdays in writing, this shall be considered to be an agreement with all terms and conditions set in the order, including the date of delivery.

IV. Payment, Payment Terms and Conditions and Invoicing

- The Buyer shall pay invoices within 60 days after the fulfilment of the agreement in case the Seller delivers invoices in written, paper form to the financial department of the Buyer on time, while these must be issued in line with a valid agreement / order. When accepting the delivery on an early date, the maturity shall be governed by agreed dates of delivery.
- The Seller shall be obliged to ensure to the Buyer a credit limit of financial coverage of deliveries in the amount enabling smooth ordering and deliveries while meeting the agreed maturity.
- In case of requirements of the Seller to provide prepayments for the subject of delivery, the Buyer shall provide a prepayment exclusively in exchange for a bank guarantee of the Seller, while the prepayments can be provided exclusively for the purchase of investments exceeding EUR 100,000.
- The Buyer requires the currency of invoicing to be in EUR.
- The payment shall take place via a bank transfer and the bank fees related with the transfer of financial resources shall be covered by the participating parties to their banks. Any change in maturity must be approved by both parties. The Buyer shall be entitled to charge the originated differences from deviations in price or quality to the account of the Seller immediately. In case of retrospective changes of prices, the same procedure shall apply.
- Regardless of prior written permit of the Buyer, the Seller shall not be entitled to forward or sell his receivables to be claimed by third parties.
- The Seller shall participate in mutual approval of receivables and obligations.
- The Seller shall send to the Buyer an invoice with an attached delivery letter with the number that the material was supplied under.
- Other forms of invoicing (self-billing) shall be accepted by the Buyer only in case of a written agreement with the Seller and the terms and conditions of such invoicing shall be described in a separate document.
- Features of the accompanying documents related with the delivery:
 - Number of ordered item (nomenclature) of the Buyer and the number of the ordered item (nomenclature) of the Seller;
 - Number of order or the number of the plan of deliveries or reference;
 - Number of delivery note;
 - Gross and net quantity;
 - Measuring unit;
 - Unit price;
 - Total price of delivery;
 - Number and type of palettes;
 - Declaration of goods origin, in case of delivery outside of the EU, EUR 1 to be attached to the invoice;
 - Compliant ordered items (nomenclatures) must be on the invoice only once with the obligation of quantity accumulation, unless otherwise agreed.

V. Complaint

- If the Buyer discovers deviations from the Seller or the delivery note such as e.g. differences in quantity, qualitative shortages or damages as a result of transport, he shall be entitled to return this delivery or to accept it without losing his legal titles.
- After approving the complaint, the Seller shall issue of credit note no later than within 5 workdays. In case the Seller does not send a credit note by a specific date, the Buyer shall burden the seller.
- The delivery without an order, plan of deliveries or reference does not need to be accepted, the Buyer shall be entitled not to accept the delivery and the costs of returning it shall be carried by the Seller in full extent.

VI. Sanctions

- In case of a flawed delivery, the Buyer shall be entitled to withhold the payment until the proper fulfilment of delivery.
- In case of any missing document to delivery or its features in line with these GPTaC, the Seller shall be notified about the discrepancy and shall be asked for correction within 3 workdays. In case of a repeated discrepancy, the Buyer shall be entitled to sanction the Seller up to EUR 150 for each delivery.
- In case of accepting the delivery that is not in line with the order, plan of deliveries or reference (material, price), the Buyer shall be entitled to settle the difference by a document issued in his own name.
- Costs additionally incurred in connection with a non-compliant delivery shall be carried by the Seller.

VII. Confidentiality

- Contractual partners undertake to consider all not only public economic and technical details they learn about through their business relations as business secret.
- Drawings, models, templates, patterns and similar objects may not be left or otherwise made accessible to unauthorised third persons. Multiplying such objects is allowed only as part of operating requirements and provisions concerning copyrights.
- Sub-contractors must be bound in an appropriate manner.

VIII. Delivery of Goods

- The agreed dates, deadlines and quality are binding. The receipt of goods by the Buyer or handover of goods by the Buyer on the agreed place depending on the agreed delivery terms in line with Incoterms 2013 shall be considered as decisive in terms of meeting a deadline or date of delivery. The Seller must transport goods in time while considering the usual dates needed for loading and unloading.
- The deliveries take place according to instructions of the Buyer. In the principle, one delivery = one delivery note = one invoice, unless otherwise agreed. The Seller shall be obliged to attach to the delivered goods also the accompanying documents – packaging note, delivery note, document of goods origin, delivery notice, material attestation, handover protocol... further documents agreed in the agreement meeting the agreed content and scope of data. If any of these documents is not delivered together with the delivery, the delivery shall be considered as incomplete and the ordering party shall have the right to withhold the payment for the delivery in line with Article IV. The Seller shall be obliged to pay to the Buyer documented damage caused by the failure to deliver any of the accompanying documents.
- If the dates of delivery are not met, the Buyer shall be entitled to charge the Seller with 0.01 % of the value of the ordered item for each day of delay. The Buyer shall have the right to withdraw from the Order, if the delay of the Seller lasts more than 1 month. In such a case, he shall carry no costs related to the delay, while the Seller shall compensate the Buyer for all damage caused by the failed delivery, as well as for damage incurred by third parties.
- In case of a delayed delivery, the Seller shall be obliged to report such fact as soon as possible to the Buyer in writing.
- The tolerance of delivery accepting:
 - Difference in the price of ordered item (nomenclature) in the tolerance of 0 %;

- Tolerance of quantity difference +/- 5 %, in case it is technologically impossible to meet this tolerance, the Seller shall notify the Buyer about the quantity tolerance and goods can be delivered only after the approval of the Buyer;
- The Seller shall label goods (each packaging) provided to the Buyer with a label in line with EN ISO requirements or VDA4902, containing:
 - Code and description of goods in line with the requirement (order, plan of deliveries, references) of the Buyer;
 - Quantity of goods in the packaging – net, gross quantity, or the number of pieces;
 - Back identification of goods shall be made possible;
 - The assigning of goods to accompanying documentation (delivery note, invoice, material attestation, safety note...) shall be made possible;
 - The Seller of the goods shall be identified;
 - In case not all data needed on the label are contained, the label must contain information in line with VDA4902 Standard.

IX. Delay of Delivery

The Seller shall be obliged to compensate the Buyer for damage caused by the delay pursuant to legal regulations.

X. Higher Power

- The higher power, strikes, uprisings, measures of authorities and other unplanned, unavoidable and serious events freeing the contractual partners for the time of interruption and in the scope of its effect from the obligation to fulfil. This shall apply also if these events occur at a time when the affected contractual party is in delay.
- Contractual partners shall be obliged to provide the necessary information and to adjust their obligations in good faith to the changed circumstances if possible without any undue delay.

XI. Quality and Documentation

- Each delivery must be flawless. The Seller shall be liable for the quality of the subjects of delivery and undertakes to realise effective quality assurance and documentation and shall prove this for the Buyer.
- The subject of delivery must meet the technical parameters and requirements prescribed by the Buyer according to technical documents submitted by the Buyer to the Seller. This data and requirements shall be perceived as "guaranteed characteristics" of the subject of delivery only an exception is granted in case of individual data and requirements explicitly in writing.
- The subject of delivery must correspond always to the relevant most recent condition of the competition considering the last status of science and technology. The Seller shall inform the Buyer about the relevant situation without request. In case of deviations, both parties shall start to act in order to achieve the adjustment to the competition. Moreover, the Seller shall be obliged to inform the Buyer about the planned changes in the process of production and/or control.
- The Seller acknowledges to the Buyer the possibility to see that measures for quality assurance are applied in the necessary scope and the obligation to keep documentation is therewith also met. In order to do so, the Seller shall enable the Buyer upon agreement to view the manufacturing and control equipment at any time, to view manufacturing and control documents, including documentation. In terms of confidentiality, Article V shall fully apply.
- The basis for assessing and determining the necessary scope of measures and documentation for quality assurance are systems of quality management in line with the international standards EN ISO/TS, VDA, QS.

XII. Guarantee

- In case of delivering flawed goods, the Seller shall first prior to the start of the production (processing or assembly) be reserved the possibility to sort out, repair or additionally deliver the parts, if however this is acceptable for the Buyer. If the Seller cannot do or fails to do correction, the Buyer can withdraw from the Agreement in the scope of the delivery with flawed fulfilment and sent goods back at the risk of the Seller. In emergency cases, the Buyer can carry out the correction on his own upon an agreement with the Seller or he can have it done by a third party. Costs incurred by the Seller and in connection with the delivery of flawed goods shall be carried by the Seller. If the same goods is delivered flawed repeatedly, the Buyer shall be entitled upon written agreement to withdraw in case of repeated flawed delivery even from unrealised deliveries.
- If the flaw is detected only after the start of the production, the Buyer may, according to the rules of Paragraph 1 request compensation for the incurred extra costs. In emergency cases, the Buyer can carry out modifications on his own or can let a third party realise them.
- Goods to be replaced by the Seller must be provided to him by the Buyer on his request and at his costs.
- The guarantee period shall end by the lapse of 24 months after the fulfilment of the agreement, unless otherwise agreed in writing.
- Guarantee claims shall not originate if the flaws were caused by a violation of instructions for use, maintenance or assembly, by unsuitable or unprofessional use, flawed or negligent handling and natural wear and tear as well as by interventions carried out by the Buyer or a third party on the subject of delivery.

XIII. Liability

- Unless liability is defined differently in another part of these terms and conditions, the Seller shall be obliged only to the below-stated compensation of damage caused to the Buyer directly or indirectly as a result of flawed delivery, violation of legal safety regulations or other legal reasons that can be assigned to the Seller.
- If a claim based on unlimited liability pursuant to the right of non-transferability to third parties is made with regards to the Buyer, the Seller shall act with regards to the Buyer in the same scope in which he would immediately be liable to him. In order to settle damage between the Buyer and the Seller, relevant legal regulations shall be applied. The same shall apply also to the case of direct claim with regards to the Seller.
- The obligation to compensate for damage shall be excluded, if the Buyer effectively limited his liability with regards to his customer. The Buyer shall at the same time try to agree limitation of liability in the legally acceptance scope and for the benefit of the Seller.
- Claims of the Buyer shall be excluded, if damage is caused due to the fault of the Buyer as a result of violating instructions for use, maintenance and assembly, improper or unprofessional use, incorrect or negligent handling, natural wear and tear or incorrect repair.
- In case the Buyer plans to make claims with the Seller according to the above-stated provisions, he shall inform him immediately and in great detail about the originated damage. He must enable the Seller to check the event of damage. Contractual partners shall agree on the measures to be carried out, mainly during negotiations of settlement.
- The Seller may not reserve any time limit concerning the liability for damage resulting from the use of unsuitable products.

XIV. Protective Rights and Product Labelling

- The Seller shall be responsible that the goods delivered to the Buyer in total or its individual parts do not violate industrial rights (patents and industrial templates) of any third person and that these goods is not burdened by rights of third persons at home or abroad.
- The Seller shall free the Buyer and his customers of all claims related to the use of protective rights.
- Contractual partners undertake to inform without any undue delay about detected risks of violations or alleged cases of violation and that they will provide the possibility to act against such claims upon mutual agreement.
- Solution and procedures that are part of intellectual property of the Buyer must not be used by the Seller for other purposes than the production of goods for the Buyer.
- The Seller shall be obliged to place signs or symbols according to instructions of the Buyer on the designated delivered goods or the packaging.

XV. Use of Manufacturing Means and Confidential Data of Buyer

- Models, matrices, templates, tools and other manufacturing means, as well as confidential data provided by the Buyer to the Seller, or paid by him fully, must not be used without prior written consent of the Buyer for the delivery to third persons.
- The Seller undertakes that goods that is subject of delivery to the Buyer and is specific for the use in products of the Buyer shall not be handed over to third parties without the consent of the Buyer.
- The Seller shall be obliged to inform the Buyer about the place of use of tools or to deliberately relocate tools to another production place.
- In case of a plan to hand over or in any other way sell the tools, the Seller shall be obliged to first offer it to the Buyer for purchase.
- Maintenance and renewal of tools shall be paid by the Seller.

XVI. General Provisions

- The Seller and the Buyer declare being aware of all legal regulations and standards quoted in the General Purchasing Terms and Conditions.
- If any of the provisions of these Terms and Conditions or further concluded agreements become ineffective, the effectiveness of the remaining parts of the General Purchasing Terms and Conditions or further concluded agreements shall not therewith be affected. Contractual partners shall be obliged to replace the ineffective provisions by another provision, if possible with a comparable economic effect.
- Any and all disputes that can originate between the Seller and the Buyer in connection with the arrangement of agreements, complaints, payments for the delivery or interpretation of these General Purchasing Terms and Conditions shall be decided by the relevant Regional Court in Žilina.

XVII. Term of Validity

The term of validity of the GPTaC (General Purchasing Terms and Conditions) shall not be limited by time and the change in their wording, or their supplementation shall be valid always as of the day of their issue.

Date of GPTaC – General Purchasing Terms and Conditions – Issue / Validity as of: 1st of January 2014

Alojz Ľapajna
CEO