

General Purchase Conditions of Tatravagónka a.s. Company
(hereinafter referred to as „GPC“)

I.

Basic Provisions

1. This is a full wording of GPC with effect since
2. These GPC governs all legal relations and legal actions regarding purchase of goods delivered to the company TATRAVAGÓNKA a.s. (hereinafter referred to as „Tatravagónka“) with its seat at the address Štefánikova 887/53, 058 01 Poprad, Slovak Republic, Identification number of the company: 31699847, registered in Companies' Register of District Court in Prešov, Section Sa, File no. 191/P, as a customer from the side of its supplier (hereinafter referred to as „seller“), on the basis of purchase contracts (hereinafter referred to as „contract“) concluded between Tatravagónka and seller, subject of which is purchase of goods from the seller, as well as relations created in connection with activities leading towards concluding a contract.
3. Application of any general business conditions of the seller for the legal relation between Tatravagónka and the seller based on the contract is excluded, even if they do not contradict the regulations of these GPC.
4. In case that the provisions of the contract concluded between Tatravagónka and the seller differ from the provisions of GPC, the provision of corresponding contract are decisive.
5. In case of conflict between provisions of GPC and/or contract and non-mandatory provisions of generally binding legal regulations of legal order of Slovak Republic, the provisions of GPC and/or contract are decisive. In case of conflict between provisions of GPC and/or contract and provisions of generally binding legal regulations of legal order of Slovak Republic, which can be excluded after agreement between contractual parties, the provisions of GPC and/or contract are decisive, and mentioned provisions of generally binding legal regulations of legal order of Slovak Republic are considered to be expressly excluded.
6. Provisions of this GPC apply to the purchase contract also in case if the individual purchase contract does not contain direct references to these GPC, if the purchase contract is concluded during effectiveness of these GPC.

II.

Method of concluding the contract

1. Written proposal for concluding the contract shall be submitted by one contracting party to the other contracting party in the appropriate long period before the first delivery date specified in the corresponding draft of the purchase contract.
2. With his contract draft, the Seller is bound for 14 days from the date of its delivery to Tatravagónka.
3. With delivery of written confirmation of the contract draft without Amendments, limitations or other modifications of the second contracting party, the contract is considered to be concluded.
4. Confirmation of written contract draft, which contains reservations, amendments or some other modifications, represents a refusal of contract draft and it is considered to be a contra-proposal. Delivered remarks to the contract proposal represent a contra-proposal.
5. In case that the written contract draft is not confirmed within defined period of time, it is deemed that the contract draft is not accepted and the contract is not concluded.
6. The contract proposal is considered to be a proposal when it contains, at least, following data:
 - a) commodity definition – its execution, quality, parameters,
 - b) definition of quantity of commodity,
 - c) definition of the purchase price in EURO,
 - d) definition of commodity delivery terms.
7. In the contract draft, the Contracting party is obliged to specify the business name, seat, company ID, tax ID, identification register, in which the company is registered, number of entry and the person authorised to act in behalf of the company.

III.

Rights and obligations of the seller

1. The seller is obliged to:
 - a) deliver goods to Tatravagónka in accordance with the contract agreed properly and in time, i.e. mainly in quantity, quality and in date specified in the contract and to pack them or provide them for transportation in the manner suitable for their preservation and protection,
 - b) **provide goods delivered to Tatravagónka on the basis of the contract to be in accordance with appropriate technical and other standards in accordance with the contract and with generally binding regulations,**

- c) provide for Tatravagónka delivery of spare parts for the goods in accordance with the corresponding contract,
 - d) submit to Tatravagónka all documents necessary for acceptance and use of the goods, as well as other documents required by applicable legal regulations (operation manuals in Slovak and English language, certificate of warranty, delivery note),
 - e) issue a proper tax document (invoice) together with delivery note, as well as to submit confirmed certificate of warranty,
 - f) instruct Tatravagónka in advance about condition of storage and manipulation with sold goods (if the seller does not fulfil this condition, he is fully responsible for damage created to Tatravagónka because of inappropriate or incorrect storage and/or manipulation with sold goods),
 - g) perform removal of goods defects without unreasonable delay after early notice about these defects in accordance with GPC.
2. The seller has right to proper and timely payment from Tatravagónka for properly delivered goods in accordance with the contract and GPC.

IV.

Rights and obligations of Tatravagónka

1. Tatravagónka is obliged to:
 - a) accept properly delivered goods, if they do not have apparent defects, or some other defect due to which Tatravagónka is authorised to reject acceptance of the goods,
 - b) pay to the seller agreed purchase price in defined maturity date in accordance with these GPC and the contract,
 - c) survey goods not later than 60 days after their delivery.
2. Tatravagónka has right to delivery of goods in quantity, quality, term, and place and under conditions agreed in the contract and GPC.

V.

Delivery conditions

1. Unless otherwise agreed in the contract, the seller is obliged to deliver goods to Tatravagónka in FCA parity according to Incoterms 2010 on time and duly.
2. Agreed goods delivery date is a significant part of the contract.
3. Subject of delivery shall become property of Tatravagónka after acceptance on the place of delivery, similarly shall be transferred also danger of damage of the subject of delivery.
4. The seller is obliged to deliver to Tatravagónka, together with accompanying documentation, commodity in quantity, quality, execution and of parameters and in terms specified in corresponding purchase contract. Accompanying documentation consists of following documents: Delivery note, attest, invoice and measurement protocol.
5. The Seller is obliged to deliver to Tatravagónka, at least 24 hours after goods delivery, a material certificate of these goods in the electronic form to the email address: attest@tatravagonka.sk.
6. The seller is entitled to deliver goods to Tatravagónka before the delivery date according to the contract only on the basis of explicit written consent of Tatravagónka.
7. The delivery note submitted to Tatravagónka in time of goods delivery shall contain contract number and decryption of goods in the range defined in the corresponding contract.
8. The seller is obliged to pack and provide the commodity for transportation in accordance with written agreement between him and Tatravagónka. If the contract nor the written agreement with Tatravagónka do not specify how the seller shall pack goods, or how shall he provide goods for transportation, the seller is obliged to pack goods and to provide them for transportation in the way which is common for such goods in business relations, or, if it is impossible to determine such way, goods shall be packed and provided for transportation in the way necessary for their preservation and protection. If goods are not packed in accordance with written agreement, Tatravagónka is entitled to refuse acceptance of such goods, and the seller is obliged to transport these goods from the delivery place on his own expenses.
9. Goods delivered on the basis of the contract, have to comply with valid UIC leaflets, provisions of RIV and corresponding reports of ORE/ERRI and TSI.
10. The contracting parties agree that the seller is obliged to mark the goods, delivered on the basis of the contract, with the bar code in accordance with specification of Tatravagónka submitted to the seller.
11. In case of delay in goods delivery, Tatravagónka has right to a contractual penalty in the amount of 0.03 % of delayed goods for each delay of delay. This penalty claim does not affect the damage compensation claim.

12. The Seller is obliged to submit all certificates of the Seller, or product portfolios of the Seller within 5 days from the contract conclusion and to regularly inform Tatravagónka about expiration of their validity without unreasonable delay.
13. In case of conclusion of the contract/order, subject of which is a new product, Tatravagónka is authorised to perform an inspection at the premises of the Supplier before dispatching and delivery of such new product under conditions specified in this Article of these GPC. For the purposed of GPC, the new product is considered to be a product that was not delivered to Tatravagónka by the Supplier in the last 12 calendar months.
14. The aim to perform an inspection of the new product before acceptance shall be announced by Tatravagónka to the Seller not later than 24 hours before its performance, whereby term of the inspection specified by Tatravagónka shall not be later than 7 days before delivery date of the new product at time from 7 a.m. to 6 p.m.
15. Inspection of new goods before acceptance shall be performed by authorised representatives of Tatravagónka at the premises of the Seller, in which these goods that shall be delivered to Tatravagónka on the basis of the contract are manufactured and/or stored.
16. Inspection of new goods according to this Article consists of a non-destructive inspection of new goods designated for Tatravagónka regarding any defects of such goods and it is performed on these new goods randomly selected by Tatravagónka representatives, whereby Tatravagónka can determine a quantity of inspected new goods according to its own will up to 100% of new goods that shall be delivered on the basis of the contract.
17. During performance of the inspection of new goods before their acceptance, Tatravagónka can require also performance of a destructive test of new goods for any defects and it shall be performed on randomly chosen new goods by the representatives of Tatravagónka.
18. During performance of the inspection of new goods before their acceptance, the Seller is obliged to provide a support for the Purchaser properly and on time and to create material condition for proper performance of an acceptance procedure according to this contract, mainly to ensure Purchaser's access to such goods, to provide necessary equipment, suitable area, connections to the electric energy, etc. Costs connected with the inspection performed according to this point shall be fully borne by the Seller, whereby regarding participation of Purchaser representatives at such inspection, the Purchaser is entitled to a lump-sum compensation in the amount of 75,- Euro /per one hour of inspection duration/per person when this inspection is performed outside Slovakia, and in the amount of 25,- Euro /per one hour of inspection duration/per person when this inspection is performed within the territory of Slovakia.
19. Tatravagónka shall elaborate a written protocol regarding results of the inspection of new goods before their acceptance. This protocol shall contain mainly data regarding time of the inspection, place of the inspection, persons participated, specification of inspected sample, specification of used inspection methods, results of performed inspections (note: in case of discovery of defects on the goods, the protocol shall contain also specification of these defects, their occurrence and assumed reasons for their occurrence).
20. In case of discovery of one or more defects of new goods during inspection of new goods before acceptance, a repeated inspection of new goods shall be performed. Provisions of the points 13 up to 19 of this Article shall reasonably apply for performance of the new inspection.

VI. Price

1. Unless stated otherwise in the contract, the prices are considered in the parity FCA according to Incoterms 2000 and without VAT. VAT will be in accordance with applicable legal regulations of the Slovak Republic.
2. Purchase price for delivered goods is due within 60 days counted from the date of complete delivery of the commodity based on the properly issued invoice from the seller delivered to Tatravagónka. In order to eliminate any doubts, the contracting parties agree that the delivery of goods is complete when (i) complete commodity of corresponding delivery is supplied as well as (ii) complete accompanying documentation and (iii) delivered commodity is marked with bar code in accordance with provisions of this GPC and (iv) the Seller has delivered to Tatravagónka an attest (material certificate) of delivered commodities in the electronic form to the email address: attest@tatravagonka.sk. The Seller is obliged to deliver to Tatravagónka a duly issued invoice.
3. When the invoice of the Seller does not contain the whole business name of the Seller, seat of the Seller, Company ID no. of the Seller, tax identification number, VAT identification number, banks correspondent of the Seller – his bank account number, IBAN, name of the bank, SWIFT bank code, constant number, variable number, commodity delivery date, invoice serial number, date of invoice issue, due date, tax rate or data about tax-exemption, Purchase contract number, the whole business name and the seat of Tatravagónka, its company ID no., tax identification number, VAT identification number of Tatravagónka, delivery note number and other requirements specified by generally binding legal enactments of the Slovak Republic, Tatravagónka is entitled to return it to the Seller for correction or supplementation. In such case, the time-limit for the invoice payment will be stopped and a new time-limit will start to run after delivery of properly issued invoice to Tatravagónka.

4. Agreed price includes all costs and fees related to purchase and delivery of goods by Tatravagónka from the Seller, including fees for packing and inspection of goods, as well as testing of purchased goods and the price of certificates for the purchased goods. The agreed price is unchangeable for the whole period of effectiveness of the contract.
5. Price increase, due to any reason, after signing of the contract is explicitly forbidden, unless performed by means of a contract amendment.
6. Settlement of the purchase price shall be done by means of the bank transfer to the bank account of the Seller specified in the invoice.
7. In case of Tatravagónka's delay of payment for goods delivered on the basis of the contract, the Seller has a right to delay charge in the amount of 0.03% of the price due for every day of delay.
8. Monetary obligation of Tatravagónka against the Seller paid through the bank is fulfilled after deduction of the amount of the monetary obligation from the bank account of Tatravagónka in favour of the bank account of the Seller in his bank.
9. The Seller obliges himself that he will inform Tatravagónka in writing, during the period of performance of the Contract, about the date of cancellation of registration of payer of the value added tax immediately after this date. In case that the Seller shall issue an invoice to Tatravagónka, which will contain VAT, during the period when he will not be a payer of this tax, and subsequently, tax administrator will additionally levy Tatravagónka with a VAT, and, at the same time, in accordance with the Act no. 511/1992 Col. about tax and fees administration, subsequently amended, it will levy Tatravagónka with a sanction due to unauthorised VAT deduction, the Seller obliges himself to pay Tatravagónka the additional VAT, as well as levied sanction, through a damage compensation, in the full amount within 10 days after delivery of its statement to the Seller.

VII.

Quality assurance

1. The seller shall assure and guarantee that quality of products leaving his factory to be delivered to Tatravagónka will fully comply with quality requirements and standards established and required by Tatravagónka. This requirement refers also to the accompanying documentation and/or certificates and other quality documents, if they are required.
2. In case that Tatravagónka will decide and introduce arrangements modifying the quality policy, by reason of increasing the level of quality assurance, either in the production processes or in the field of supply policy in order to better satisfy his customer's requirements, the Seller will also take over and introduce these arrangements into his own processes.
3. Because of introduction of united and uniform mutual communication between the Seller and Tatravagónka, the Seller shall take over and oblige himself to integrate into his processes and to fulfil obligations defined in the document „General conditions of TVP suppliers quality“ (hereinafter referred to as „GCS“) issued by and valid at the purchaser in time of goods delivery in accordance with corresponding contract. GCS are published at Tatravagónka web page www.tatravagonka.com. Tatravagónka is entitled to unilaterally modify the GCS, in such case, it shall notify the Seller about this fact. Modification of the GCS comes into force for the Seller within 30 days after its notification.
4. On the basis of regulations and processes mentioned in the GCS, Tatravagónka shall annually perform an evaluation of the Seller.

VIII.

Responsibility for damages, warranties, claims

1. The Seller is obliged to deliver goods to Tatravagónka in the quantity and quality required in the contract, mainly with regard to agreed quality, volume or weight. Goods delivered on the basis of the contract have to comply with binding technical standards and legal regulations and standards of the Slovak Republic and European Union. If the contract does not specify quality or layout of goods, the seller is obliged to deliver goods in quality and layout that is suitable for purpose defined in the contract, or, if this purpose is not specified in the contract, for purpose these goods are usually used for.
2. If the seller breaches mainly an obligation of the provision mentioned in point 1 of this Article, goods delivered in such way are defected.
3. The seller is liable for defects of goods in the moment of transfer of danger of damage to Tatravagónka, even if defect became clear after this period. The seller is also liable for any defect, which will occur after transfer of danger to Tatravagónka, if the defect is caused by breaching of seller's obligations.
4. Tatravagónka is obliged to inspect goods delivered on the basis of the purchase contract not later than 60 days after delivery of goods. Tatravagónka is entitled to claim defects discovered during regular inspection according to the previous sentence within 60 days after delivery of goods.
5. Tatravagónka can claim any defects of the commodity against the seller during the whole guarantee period.
6. The seller guarantee that goods, delivered on the basis of the purchase contract, will be suitable for using for agreed or usual purpose, or, that it will keep its agreed or usual characteristics for a period of 24 months after the day of

introducing goods, as a part of the final product, into the operation, but, at most, for 27 months from delivery date of goods. Guaranty period shall not run during period when Tatravagónka cannot use goods because of defects for which the seller is liable.

7. Commodity has a legal defect, if sold commodity is burdened by the right of the third party, unless Tatravagónka agreed with this restriction.
8. If the right of the third party, by which the commodity is burdened, results from industrial or other intellectual property, then, the commodity has legal defects if
 - a. this right uses legal protection according to the legal order of the country, in which the seller has its seat, place of business or permanent residence; or
 - b. the seller knew, in the time of contract conclusion, or had to know that this right uses legal protection according to the legal order of the country, in which Tatravagónka has its seat or place of business, or according to the legal order of the country to which the commodity was to be sold or in which it was to be used, and the Seller was familiar, in time of purchase contract conclusion, with this sale or place of usage.
9. If the contract is violated by delivery of commodity with defects, Tatravagónka is entitled to:
 - a. request removal of defects by exchanging the faulty commodity for new one, delivery of missing commodity and can request removal of the legal defects
 - b. request removal of defects by their repair, if they can be repaired
 - c. request adequate discount from the purchase price; or
 - d. withdraw from the contract.

The choice between mentioned rights is up to Tatravagónka and Tatravagónka shall mention its choice in the PSM report according to the point 9 of this article, which shall be delivered to the seller. If the seller does not remove defects of the commodity in adequate additional time period, or if he announces before the end of this period that he will not remove these defects, Tatravagónka can withdraw from the contract or can request an adequate discount from the purchase price.

10. If the contract is only marginally violated by delivery of goods with defects, Tatravagónka can request:
 - a. removal of defects by exchanging the faulty commodity for new one, delivery of missing commodity and can request removal of the legal defects,
 - b. oval of defects by their repair, if they can be repaired; or
 - c. discount from the purchase price

The choice between mentioned claims is up to Tatravagónka and Tatravagónka shall mention its choice in the PSM report according to the point 9 of this article, which shall be delivered to the seller. If the seller does not remove defects of the commodity in adequate additional time period, or if he announces before the end of this period that he will not remove these defects, Tatravagónka can request an adequate discount from the purchase price or can withdraw from the contract without prior notification about this right to the seller.

11. In case, that there are discovered defects on goods delivered on the basis of the purchase contract, the employee of the quality control department of Tatravagónka shall issue a PSM Report (a sheet for PSM Report is published on Tatravagónka's web page www.tatravagonka.com), which shall be delivered to the seller by the employee of the Purchase department of Tatravagónka. PSM Report contains mainly delivery identification (name of the commodity, identification of the purchase contract, delivery note ...) and defect description, whereby, an annex can consist of photo-documentation or test results.
12. The seller is obliged to submit to Tatravagónka his statement to the filed claims related to the commodity defects within 5 days from the date of PSM Report delivery according to the point 9 of this article. If the seller does not deliver his written statement to Tatravagónka, regarding the claims, within mentioned time period, such act is considered to be manifestation of his will, by which he accepts his responsibility for the defects stated in the corresponding complaint.
13. In case that the seller:
 - a. refuses to remove defects of goods claimed by the PSM Report,
 - b. does not start to remove claimed defects after acceptance of delivered complaint within reasonable time period; or
 - c. does not submit his statement to the corresponding complaint within the time period mentioned in the point 10 of this article

Tatravagónka is entitled to remove these defects by its own, using method it wants, at the expenses of the seller. Mentioned expenses will be charged to the seller after completion of repairs and the seller is obliged to pay these expenses immediately after delivery of an invoice.

14. Even if no condition, mentioned in the previous point, is fulfilled, Tatravagónka is entitled to remove defects at the expenses of the seller, but only when these expenses don't exceed amount of 50 EURO in an individual case. Mentioned expenses will be charged to the seller after completion of repairs and the seller is obliged to pay these expenses immediately after delivery of an invoice.

15. Tatravagónka is entitled to remove defects of the commodity at the expenses of the seller without his consent and out of the scope of the point 13 and 14 of this article, even in the case when it is impossible for the seller to perform a repair due to objective reasons, mainly in the cases (i) when the seller is rejected from entering the premises of Tatravagónka's customer, or (ii) when it is necessary to remove the defects immediately because of potential damages that would multiple times exceed the value of removed defects, or (iii) performance of repair by the seller would lead to significant delay with delivery of final products to the Tatravagónka's customer.
16. The contracting parties can make an agreement, despite the point 13, 14, 15 of this article, that, in order to minimize losses from the delivery of faulty commodity, Tatravagónka can repair delivered faulty commodity on its own at the expenses of the seller. In that case, the seller is obliged to elaborate professional repair manual and deliver it to Tatravagónka. The seller is responsible for correctness and suitability of the manual. In the case that Tatravagónka will realise repair on its own, it has right for compensations of costs really and demonstrably expended on the repair, and it will invoice these costs to the seller. Costs for the repair are determined by the evaluation of Tatravagónka. Tatravagónka has right to and the seller is obliged to pay these costs as well as costs of Tatravagónka that occur when the defect is discovered during production.
17. Tatravagónka has right, for every reasonably issued PSM Report, to a compensation for costs, in the amount of 100,- EURO, related to the administration activities connected with issue of the PSM Report, without considering the real amount of costs spent in the connection with issue of the PSM report. By this compensation, the right of Tatravagónka to compensation of damage, claims of goods defects, as well as other claims of Tatravagónka are not influenced.
18. Tatravagónka is entitled to keep part of the purchase price for goods delivered by the seller, which have some defects, up to the day of their removal.
19. If Tatravagónka withdraws from the contract, Tatravagónka is entitled to withdraw also from corresponding fulfilment without defects, it is mainly entitled to return the subject of fulfilment delivered without defects. In such case, the seller is obliged to deliver to Tatravagónka a credit note for the price of all returned subject of fulfilment not later than 5 days after withdrawal from the contract. In case, that the price for returned subject of fulfilment was already paid by Tatravagónka, the seller is obliged to return amount paid by Tatravagónka within one week from withdrawal from the contract together with interest in the amount of 15% p.a. from the day its payment by Tatravagónka to the day of its return. Unless the purchase price is returned, Tatravagónka is not obliged to return delivered goods. After expiration of the period for return of the price, danger for damage on the returned subject of fulfilment is transferred to the seller, and he is obliged to cover costs of Tatravagónka connected with storage of these goods in the amount of 0.1% from the purchase price (according to the contract) of returned material for every day of its storage. After returning of the price, the seller is obliged to take over the subject of fulfilment on his own expenses within one week from the destination place. The seller is obliged to confirm to Tatravagónka reception of the subject of fulfilment. Expenses connected with return of the subject of fulfilment shall be covered by the seller, whereby expenses of Tatravagónka connected with return of the subject of fulfilment shall be paid by the seller on the basis of an invoice issued by Tatravagónka immediately after he receives this invoice.
20. If Tatravagónka discovers, during its operation, any defects of goods delivered on the basis of the contract, Tatravagónka is entitled to perform an inspection of all such goods, whereby Tatravagónka is in such case entitled to a lump-sum compensation in the amount of 25,- Euro /per one hour of inspection /per person representing Tatravagónka. A title to lump-sum compensation according to this point does not affect a title of Tatravagónka to the damage compensation in exceeding amount, claims for defects, or any other titles and claims of Tatravagónka.
21. The contracting parties have agreed that in case of increase of defect occurrence of any goods delivered by the seller on the basis of the purchase contract in comparison with these goods delivered on the basis of immediately precedent purchase contract, Tatravagónka is entitled to require performance of an acceptance before the nearest delivery of such goods in the future. Provisions of the Article V, points 13 to 19 of this contract shall be reasonably applied to the goods acceptance performed according to this point.
22. In case of occurrence of certain defect or occurrence of defects of the same nature on at least 5% of goods delivered by the seller on the basis of contracts, guarantee period of which has not expired yet, except other claims for defects, Tatravagónka is entitled to:
 - a. unilaterally prolong a guarantee period of all such goods to 54 months by delivery of a written notice; and to
 - b. request from the seller replacement of all such goods for goods with no defects; or
 - c. request from the seller repair of all such goods according to the process of repair proposed by the seller and accepted by the purchaser; or
 - d. withdraw from the contract(s) for the delivery of affected goods (note: including those from which performance of the contract has not been provided yet).

If the Seller does not meet the obligation according to the letter b) or c) of this point in suitable additional time period provided for that purpose by Tatravagónka, or if he informs before expiration of this period that he will not meet this obligation, Tatravagónka can withdraw from the purchase contracts for the delivery of affected goods (note: including those from which performance of the contract has not been provided yet).

IX.

Termination of contractual relationship

1. Tatravagónka is entitled to withdraw from the contract for the following reasons:
 - a) Delay of the seller with goods delivery by more than 14 calendar days,
 - b) Delivery of more than 10% of defected goods within one partial delivery on the basis of individual contract,
 - c) If the seller has repetitively breached provisions of the contract and/or GPC,
 - d) If the seller has breached provisions of the contract and/or GPC in serious way,
 - e) If the seller has breached provisions of the contract and/or GPC only in marginal way and he didn't fulfil his obligation in additional time period provided for that purpose; if the seller declares that he will not fulfil his obligation, Tatravagónka can withdraw from the contract without provision of additional time period, or it can withdraw from the contract before end of this additional time period,
 - f) If there was declared a bankruptcy of the seller, if there started a restructuralization of the seller, or some other activities with similar effect according to legal regulations by which the seller is governed,
 - g) If there occurred, according to evaluation of Tatravagónka, serious changes, which may endanger or foil fulfilment of obligations of the seller arising from the contract,
 - h) If there occurred, according to evaluation of Tatravagónka, unfavourable changes in financial status of the seller, which may endanger or foil fulfilment of obligations of the seller arising from the contract.
2. By withdrawal from the contract, the contract is terminated in the moment when the declaration of will of the contracting party entitled to withdraw from the contract is delivered to the other contracting party
3. Withdrawal from the contract causes termination of obligations of contracting parties arising from the contract, with the exception of claims connected with already performed execution of contract and created claims for damage compensation. Withdrawal from the contract has no effect on the provisions of the contract governing rights and obligations of the contracting parties in case of withdrawal from the contract.
4. The contracting party, to which the other contracting party has performed a financial engagements before it has withdrawn from the contract, shall return this payment; at monetary obligation together with interest in the amount of 0.03% / day. If the payment is returned by the party that has withdrawn from the contract, it has right to settlement of provable costs connected with it

XI.

Jurisdiction and choice of law

1. Legal relation established by the contract and legal relation established by the legal activities performed on the basis of and in connection with the contract, are governed by judicial code of the Slovak Republic. Application of UN convention about contracts regarding international purchase of goods is expressly excluded.
2. Disputes that can occur between the contracting parties in connection with the contract obligations shall be settled in preference by the out-of-court settlement.
3. Rules contained in the International Rules for interpretation of delivery clauses issued by the International Commercial Chamber in Paris (Incoterms 2010) shall be used for interpretation of used business clauses, unless stated otherwise in the contract
4. For the purpose of decisions about any disputes, which may occur between contracting parties, resulting from the legal relationships established on the basis of this contract, or in connection with this contract including disputes about validity, interpretation and termination of this contract, and which were not settled by the out-of-court settlement, the authority of Slovak courts is decisive.

XII.

Liability for damage

1. Within the legal regulations, the seller is liable for all damage caused intentionally or because of negligence. The right of Tatravagónka for compensation of damage includes complete damage, including lost profit and all indirect and subsequent damages, which arise to Tatravagónka (inclusive of claims for damage compensation, lost profit, charge delay, delay fees and contractual penalties claimed against Tatravagónka by its contractual partners and/or customers because of defects of deliveries/services).
2. Restrictions of all kinds, regarding liabilities of the seller towards Tatravagónka by virtue of liabilities for damage, respectively, restrictions of all kinds, regarding claims for damage compensation appertaining to Tatravagónka towards the seller by virtue of liabilities fir damage, are excluded.

XIII.**Delivery**

1. Delivery of the documents between the contracting parties in relation with this contract is performed during personal meetings or by the holder of the post licence (the post).
2. Document is considered to be delivered when other contracting party takes it over.
3. All documents sent to the contracting party via the post are considered to be delivered also in the case when they are returned to the contracting party – sender as undeliverable, but only when they were sent to the address of the contracting party – addressee seat stated on the first page of this contract or to some other address, which the contracting party – addressee announced to the contracting party – sender in the written form after this contract was signed.
4. Legal effects of the delivery occur in the case that the contracting party – addressee foils the delivery of the documents by i) refusing of their acceptance ii) not informing the other contracting party about his new address, or iii) omitance (mainly by not picking up the stored delivery). The day of delivery is in such case i.) the day of refusal of the delivery by the contracting party – addressee ii.) the day when the post informs the contracting party – sender that the contracting party – addressee was not found at the address or iii.) the last day of the time period for storage of the documents
5. Any communication between the contracting parties that has to be performed on the basis of or in the connection with this contract can be performed via e-mail or other electronic means to the fax number or to the e-mail address of the contracting party contact person. Effects of delivery of any electronic communication between the contracting parties occur only when the corresponding communication is delivered in readable form. When the communication is delivered in unreadable form, the contracting party – addressee is obliged to immediately inform the other contracting party – sender about this fact, otherwise is the communication considered to be delivered.
6. Before any electronic communication, or before sending an electronic mail, the contracting parties shall agree upon the contact persons and their contact data.
7. Each contracting party is obliged to inform other party in writing about change of contact person to the address determined according to the previous point. Until delivery of written notification about change of the contact person of the contracting party, all documents sent to e-mail address or fax number of the original contact person of the contracting party are considered to be properly delivered.

XIV.**Special and final provisions**

1. If the contract is elaborated in Slovak and in other language version, in case of disputes between individual language versions, the Slovak version of the contract is decisive.
2. Annexes of the contract are inseparable part of the contract.
3. If any of the provisions of the contract and/or these GPC become later invalid or ineffective, or they were invalid and ineffective when the contract was signed, then validity and effectiveness of other provisions of the contract and/or these GPC shall not be in any case influenced. Instead of invalid or ineffective provisions of the contract and/or these GPC, or for settlement of legal relations that are not regulated by these GPC and/or contract, provisions of the governing law will be used, and if they do not exist, then business customs, which are as close as possible approximate content and purpose of these GPC and/or contract, will be used.
4. In case of dispute between the provisions of the contract and non-mandatory provisions of generally binding regulations of the legislative of the Slovak Republic, the provisions of the contract shall prevail. In case of dispute between the provisions of the contract and provisions of generally binding regulations of the legislative of the Slovak Republic, which can be excluded through an agreement between the contracting parties, the provisions of the contract shall prevail, and provisions of generally binding regulations of the legislative of the Slovak Republic shall be deemed to be expressly excluded.
5. The contract can be amended and supplemented solely by written amendments signed by contracting parties.
6. Neither contracting party is entitled to transfer any rights or obligations of the contract to the third party without prior written consent of second contracting party.
7. All bank fees, which are charged by bank different from the bank of Tatravagónka in relation with the contract, shall bear the seller
8. By signing this contract, the seller confirms that he is familiar with the fact that by violation of his obligations resulting from this contract Tatravagónka could suffer a damage that multiple times exceeds the purchase price of the corresponding purchase contract
9. The seller is not entitled, without written approval of Tatravagónka, to transfer claims against Tatravagónka resulting from the contracts. Transfer of a claim against Tatravagónka that is in violation of this article is considered to be

a transfer of a claim in violation of the agreement with debtor according to § 525 paragraph 2 of the act No. 40/1964 Col. Civil Code subsequently amended, and as such it would be invalid.

10. Unless Tatravagónka defines otherwise, any payments by Tatravagónka to the seller will be used in preference for payment of receivable claims of the seller against Tatravagónka, and after payment of all receivable claims, they will be used for payment of their accessories. In case of existence of more claims of the seller against Tatravagónka, such payment will be used for payment of receivable claim with the earliest maturity.

In Poprad, date 17.02.2014

