

PistonPower s.r.o.

Kukucinova 2148-84, 01701 Povazska Bystrica, Slovakia

GENERAL Purchasing TERMS and CONDITIONS

PistonPower s.r.o. referred to as 'PistonPower'

1. INTERPRETATION

For the purposes of these Terms and Conditions:

- 1.1** "Supplier" means the person, firm or company which offers products or services to the PistonPower.
- 1.2** "Conditions" means these terms and conditions of purchasing as from time to time varied by the PistonPower.
- 1.3** "Contract" means the agreement between PistonPower and the Supplier arising as a result of the PistonPowers' submission of an order for the Supplier's Products and Supplier's written acceptance and/or, in the case of Services, an agreement between such parties for the provision of Services by Supplier, as constituted by a Proposal. Such Contract shall be deemed to incorporate and be governed by these Conditions.
- 1.4** "Products" means goods supplied as agreed to be supplied by the Supplier to the PistonPower under any Contract.
- 1.5** "Proposal" means a proposal document signed by the Supplier describing Services to be provided or Products to be supplied to or for PistonPower, subject to these Conditions.
- 1.6** "Services" means any services which the Supplier has agreed to provide to or for the PistonPower under any Contract, as more fully described in the relevant Proposal.

2. GENERAL

- 2.1** These Conditions shall apply to all contracts and agreements between PistonPower and the Supplier, whether written or oral, for the sale, supply or delivery by the Supplier, unless different conditions have been agreed upon in a separate written agreement.
- 2.2** In case of any inconsistency between the terms and conditions of any purchase order, acknowledgement or form of contract sent from PistonPower to the Supplier, or contained in any other communication between the Supplier and PistonPower, or any terms and conditions implied by trade, custom, practice or prior course of dealings, and these Conditions, then the modified terms and conditions shall prevail. No terms and conditions other than the Conditions shall be binding upon PistonPower and Supplier unless agreed in writing by both PistonPower and Supplier. All terms and conditions contained in any communication which are different from or in addition to the Conditions shall not be binding on PistonPower unless otherwise expressly agreed in writing by both PistonPower and Supplier.
- 2.3** The Contract takes effect when the Supplier's written confirmation of order is dispatched (per mail or email). Further alterations of the Contract require PistonPowers' written confirmation.
- 2.4** The interpretation of the delivery conditions shall be governed by the latest issued edition of the INCOTERMS established by the International Chamber of Commerce.

3. DRAWINGS AND DESCRIPTIONS

- 3.1** All drawings and technical documents relating to the Product manufacturing submitted by PistonPower to the Supplier, prior or subsequent to the order, shall remain the property of the submitting party. Drawings, technical documents or other technical information received by Supplier shall not, without the consent of the PistonPower, be used for any other purpose than machining feasibility study, technical study, machining and quality control. They may not without the consent of the PistonPower otherwise be used or copied, reproduced, transmitted or communicated to a third party.
- 3.2** Supplier shall, if requested by PistonPower, provide free of charge information and drawings which are necessary to permit PistonPower to review feasibility, the installation, commissioning, operation and maintenance of the Product. Such information and drawings shall be supplied in the number of copies agreed upon or at least one copy of each.

4. DELIVERY, PACKAGING AND PASSING OF RISK

- 4.1** Any agreed trade term shall be construed in accordance with the INCOTERMS in force at the formation of the contract. The standard delivery shall be DAP (Delivery at place) Povazska Bystrica, Kukucinova 2148-84, Slovakia. Costs for freight, insurance, risk and other duties shall be borne by the Supplier. The Supplier shall be responsible for packaging and shall ensure the packaging prevents the damage of the Products during transport.
- 4.2** Partial deliveries shall be permitted provided this is reasonable for PistonPower and nothing to the contrary has been agreed.
- 4.3** Insofar as import licenses or other permissions are required, the Supplier shall make all necessary steps to obtain such licenses and permissions. PistonPower will support these efforts accordingly.

5. PRICE AND CONDITIONS OF PAYMENT

5.1 The Supplier's prices are net delivery at place (DAP), unless quoted otherwise. The quoted prices shall be invoiced if the order has been placed within the validity period of the quote. Bank charges shall be born by the Supplier. The prices specified in the order are fixed prices. The invoices shall be sent to the billing address and/or to **AdministrationSK@pistonpower.eu** and according to any specific billing instructions specified in the order or afterwards. All invoices shall specify the numbers of the order and the delivery note.

5.2 Unless otherwise expressly agreed upon, payment will be made as follows: Net 30 days after the date of delivery.

5.3 PistonPower shall have the right of retention.

5.4 If the products are rejected, in whole or in part, by PistonPower or by an authorised agent, or if the products fail to comply with the Contract, in whole or in part, the Supplier shall, at the sole discretion of PistonPower, remedy the lack of conformity in order to ensure full conformity to the PistonPowers' satisfaction and / or deliver substitute goods that fully comply with the Contract and / or shall take back the products delivered in whole or in part with the corresponding repayment of the money already paid and without prejudice to PistonPowers' other rights under the Contract and/or these Conditions.

6. DELIVERY PERIOD

6.1 Periods of delivery commence upon the date of the Supplier's order confirmation but not before technical and commercial details and the license, which may possibly be required, have been clarified and produced. The delivery period shall be deemed to have been complied with, when notice of readiness for dispatch has been given within the agreed delivery period. Any alterations in the performance of deliveries demanded by PistonPower within that delivery period shall interrupt or extend the delivery period accordingly.

6.2 Unforeseeable events are such circumstances, which cannot be avoided by reasonable care (war, natural event, fire, strikes, lock-outs, and other events of force majeure (as defined in Clause 10.1), through which the performance of the contract is endangered, made substantially more difficult or rendered impossible. In such cases, the Supplier is entitled to withdraw from the contract without any obligation to pay damages. PistonPower may demand a statement from the Supplier as to whether the Supplier will withdraw or deliver within an appropriate period. If no statement is given by the Supplier within 7 days, PistonPower may withdraw from the contract.

7. DELIVERY DELAY

7.1 Supplier shall use its best efforts to avoid delay in the delivery of Products. If Supplier has reason to believe that it will not be able to deliver Products at the agreed time of delivery, Supplier shall immediately notify PistonPower thereof in writing to agree the right priorities. For the avoidance of doubt, it is outlined that such notice shall not relieve Supplier of its responsibility and liability to deliver on time.

7.2 If the Product is not delivered at the time for delivery, PistonPower is entitled to liquidated damages from the date on which delivery should have taken place. The liquidated damages shall be payable at a rate of 0.5 per cent of the purchase price for each completed week of delay. The liquidated damages shall not exceed 7.5 per cent of the purchase price. If only part of the Product is delayed the liquidated damages shall be calculated on that part of the purchase price which is attributable to such part of the Product as cannot in consequence of the delay be used as intended by the parties. The liquidated damages become due at PistonPowers' written demand but not before delivery has been completed or the contract is terminated.

7.3 Part deliveries shall not exempt Supplier from liability pursuant to this provision. Any delay beyond fourteen (14) days from the agreed delivery date is considered a material delay which entitles PistonPower to terminate the Order as well as any Order which is related to the delayed Order. Supplier's payment of liquidated damages due to delay does not exclude the right of PistonPower to claim compensation for any direct loss in excess of the liquidated damages amount. This obligation on Supplier to compensate PistonPower' loss shall exist irrespective of whether PistonPower chooses to terminate the Order or not. In the event of a delay of products PistonPower may request the Supplier to deliver the products by the fastest means of transport. If PistonPowers' request is reasonable based on the potential implication on PistonPower, Supplier shall meet PistonPowers' request. Any additional delivery charges more than those that would apply for the usual means of delivery shall be borne by Supplier.

8. PROPERTY, TRANSFER OF OWNERSHIP

8.1 Upon delivery, the product will become the property of PistonPower. The supplier's right to payment of the purchase price is not affected.

8.2 In the ordinary course of business, PistonPower is permitted to resell and / or process the Products delivered. Warranties for the quality of the Supplier's products are maintained regardless of whether they are resold or processed and used in the PistonPower product.

8.3 Unless otherwise agreed in writing, the risk of any Products to be delivered under the Contract shall remain with the Supplier until delivery in accordance with the Contract. Product ownership will pass to PistonPower in both of the following cases, whichever occurs first:

- (a) payment made by PistonPower for Products (or, if payment is to be made in instalments, payment of the first instalment made by PistonPower for Products)
- (b) delivery of the Products to PistonPower.

The Supplier shall mark all Products to which the title has thus passed in the manner described above, in such a way that they can be unambiguously identified as the property of PistonPower.

9. WARRANTIES AND LIABILITY FOR DEFECTS

9.1 For a period of twenty-four (24) months from the date of delivery Supplier warrants that Products delivered (i) are designed and manufactured in a professional and workmanlike manner; (ii) are fit for any normal or agreed purpose; (iii) are free from defects in design, materials and workmanship; (iv) comply with applicable law; and (v) comply with agreed specifications and requirements.

9.2 Supplier shall without undue delay - at PistonPowers' discretion – credit, repair or replace defective Products at Supplier's cost and risk. Supplier shall reimburse PistonPower any documented, direct loss incurred because of defective Products including, but not limited to, inspection costs, dismantling and installation cost, freight, import and export duties, charges and taxes.

9.3 Defective Products that have been replaced at Supplier's cost shall be the property of the Supplier and shall be returned to the Supplier at Suppliers' risk and cost if Supplier requests so within thirty (30) days from Suppliers' receipt of PistonPowers' complaint.

9.4 If the same type of defect occurs, within the warranty period of the Products and in minimum three (3) % of Products, however always at least ten (10) units, manufactured to the same design, which have been delivered by the Supplier to PistonPower during any three (3) months period, such defect can be considered a "Serial Failure". All such Products delivered to PistonPower within the three months period are referred to as "Serial Failure Products".

9.5 Supplier shall without undue delay - at PistonPowers' discretion - repair or replace Serial Failure Products at Suppliers' cost and risk. Supplier shall compensate PistonPower any documented loss incurred as a result of a Serial Failure including, but not limited to, project management costs, analysis costs, advertising costs, inspection costs, recall costs, freight, import and export duties, charges and taxes.

9.6 Serial Failure Products that have been credited or replaced at Suppliers' cost shall be the property of Supplier and shall be returned to the Supplier at Suppliers' risk and cost if Supplier requests so within thirty (30) days from Suppliers' receipt of PistonPowers' complaint.

10. FORCE MAJEURE

10.1 Either party shall be entitled to suspend performance of his obligations under the contract to the extent that such performance is impeded or made unreasonably onerous by any of the following circumstances: industrial disputes and any other circumstance beyond the control of the parties such as fire, war (whether declared or not), extensive military mobilisation, insurrection, requisition seizure, embargo restrictions in the use of power and defects or delays in deliveries by subcontractors caused by any such circumstances referred to in this Clause which had occurred prior to the formation of the contract, shall give a right to suspension only if its effect on the performance of the contract could not be foreseen at the time of the formation of the contract.

10.2 The party claiming to be affected by Force Majeure shall notify the other party in writing without delay on the intervention and on the cessation of such circumstance.

11. INTELLECTUAL PROPERTY RIGHTS

11.1 Notwithstanding delivery of and the passing of title in any Products according to these Conditions or any Contract shall have the effect of granting or transferring to, or vesting in, PistonPower any intellectual property rights in or to any Products and/or Services.

11.2 All rights in information, materials or other documentation provided by PistonPower pursuant to a Contract to the Supplier to enable the Suppliers' provision of the Products or Services to PistonPower, shall remain owned by PistonPower or its licensors. PistonPower grants to Supplier a limited license to use such materials only for the purpose of providing the Products and/or Services to PistonPower. Such license shall terminate immediately upon the earlier of completion of the Services, provision of the Products or a breach of the Supplier of its obligations under this Agreement.

11.3 Each party undertakes to keep confidential, not use for its own purposes and not without the prior written consent of the other party disclose to any third party, any information of a confidential nature belonging or relating to the other party which may become known to it unless such information is or becomes public knowledge (other than by breach of this Section) or is required to be disclosed by order of a competent authority.

12. GENERAL LIMITATION ON LIABILITY

12.1 Unless otherwise expressly set forth in these Conditions, the Supplier is always liable for damages, whatever their legal basis is, in case they are based on wilful action or gross negligence of staff employed by the Supplier, unless they are in breach of an essential obligation. This kind of liability shall also apply in case the Supplier is giving advice to PistonPower with respect to the goods supplied or their application. Supplier shall fully indemnify PistonPower against all loss, damage, cost, liability and/or expense (including legal fees on a full indemnity basis) and all claims of third parties based on or resulting from any breach of the Contract, or any tort (including without limitation negligence), by Supplier, its personnel, and any third party engaged by Supplier in connection with the Contract.

12.2 The foregoing provisions shall be without prejudice to the provisions about personal injury or damage on privately used items according to product liability law.

12.3 Supplier shall be liable for loss of Production, loss of profit, loss of use loss of contracts or for any consequential economic or indirect loss whatsoever:

- in cases of negligent breach of a condition which goes to the root of the contract,
- in the cases of strict liability under the Product Liability Act for defects of the Product causing death or personal injury or damage to items of property used privately,

- in the absence of expressly warranted qualities if this warranty served the specific purpose of protecting PistonPower against damage occurring to items other than the Product itself.

12.4 In the case of slight negligence, the Supplier shall be liable only for reasonably foreseeable damage which is intrinsic to the Contract.

13. Other provisions

13.1 If any provision or part of a provision of these Conditions is or is held by any court of competent jurisdiction to be unenforceable or invalid, such unenforceability or invalidity shall not affect the enforceability of any other provision.

13.2 These Conditions and the relevant Contract constitutes the entire agreement and understanding between the parties with respect to its subject matter and supersedes any prior agreement, understanding or arrangement between the parties, whether oral or in writing. No representation, undertaking or promise shall be taken to have been given or implied from anything said or written in negotiations between the parties prior to the date of any Contract except as expressly stated in that Contract. Variation to any Contract must be in writing and signed by the authorized representatives of the parties.

13.3 All disputes arising in connection with the Contract shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said rules supplemented as necessary by the procedural rules of the law of Slovakia. The place of jurisdiction shall be in Povazska Bystrica, Slovakia.

13.4 All legal relations between the Supplier and PistonPower shall be governed by the law of the country where PistonPower is located. The United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

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