

GENERAL DELIVERY TERMS

valid from 01.07.2014

Elaborated by: Ing. Miško Marek - Sales Director
Date: 10.6.2014



Approved by : Ing. Ľubomír Bezák - Executive Director
Date: 1.7.2014

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Obchodný register Okresného súdu Prešov,
Oddiel: Sro, vložka č. 10314/P

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number 01.07.2014

INTRODUCTION

The company SPINEA, s.r.o., based in Okrajová 33, 080 05 Prešov, Company ID: 31 687 580, registered in the Companies Register of the District Court Prešov, section Sro, file n.: 10314/P (hereinafter SPINEA) is issuing the present general delivery terms:

I. General requirements

1. The present general delivery terms refer to all deliveries of the products and services realized by the company SPINEA (hereinafter goods). Any other delivery terms proposed by the Client will be applied only in case and in the extent that will be agreed by SPINEA in a written form.
2. Whatever contracts, agreements and their supplements or modifications will be made in writing. Contracts, agreements conclusion and their modifications from the side of SPINEA can be realized only in such a way that results from the entry in the Companies Register of the company SPINEA.

II. Orders and acceptations, samples lending

1. A contract conclusion will be realized only on basis of the confirmation of a Client's contract proposition or on basis of the acceptance of the Client's written order by SPINEA or by receiving the delivered goods by the Client, if the performance will be realized basing on a written or oral order of the Client.
2. In case of a purchase according to the sample, variations can occur, if they are usual in the business branch or in frame of the current production extent. In case of samples delivery, their characteristics are considered as guaranteed within the range of the technical documentation which was delivered to the customer within the offer or according to the confirmed order.
3. Samples lending: Samples lending is fully a subject of special Lending agreements. The Client is obliged to give back the lent samples to SPINEA without a damage in **four months** since their receipt. Failing which the Client is obliged to pay to SPINEA their buying price according to the price list and that without any delay after receiving the SPINEA invoice.
4. Whatever data concerning the products of SPINEA, mainly pictures, drawings, data about weight, measurements and technical characteristics included in business documentation of SPINEA are considered as guaranteed. Usual variations are permitted (production tolerances), excepting the case that there were some limits determinated in a strict wording in the order confirmation for acceptable variations.

III. Prices and Deliveries

1. Unless it is determinated otherwise, the price according to the appropriate business offer is applied.
2. All prices are netto prices without VAT and without bank charges.
3. The prices include also a usual packing. No fee is charged for the delivery, unless it is concluded otherwise. The Article V. of the document (Risk transfer) is unchanged.

4. SPINEA will realize the first deliveries of the goods to a new Client only after paying the price of the delivery in advance or in cash at the goods delivery, according to mutual agreement. This procedure is valid unless and until SPINEA concludes otherwise with the Client.
5. Partial deliveries and their invoicing are permitted. Terms of payment are the subject of the paragraph VIII.
6. Delivery terms INCOTERMS 2000, EXW SPINEA, s.r.o., Prešov, Slovakia are valid for the delivery of goods, unless SPINEA concludes otherwise with the Client.

IV. Delivery date

1. Delivery date and terms are obligatory for SPINEA only in the case that they were concluded in writing. Failing which, for their respecting it is necessary that the Client delivers to SPINEA needed information with a sufficient timing advance. If the delivery dates are not obligatory, as a delay of SPINEA it is considered the date at earliest after expiring three weeks from the delivery date, if it is not concluded otherwise.
2. The customer can cancel the order up to 10 weeks before confirmed despatch. Unless it is determined otherwise, the customer has the obligation to remove ordered product which is prepared for despatch at the latest up to 2 weeks after confirmed date of order. Failing which, SPINEA reserves the right to claim the cost of stock keeping.
3. In case of non performance of a delivery or in case of impossibility to deliver – without regard on a reason – the provisions of the article XI. of the present general delivery terms refer to a compensation of a damage.
4. The cases of force majeure and whatever other events that are out of control of SPINEA and threaten or inhibit deliveries considerably such as a war, uprisings/revolts, fire, flood, epidemic, obstacles in the business (business break), delay in transit, strikes, legal lock-out (legal stopping), administrative measures, especially prohibitions and limitations of export, obstacles in the purchase of material, as well as non delivery, incorrect or delayed delivery from our suppliers, regardless the reasons, disengage SPINEA from its obligations resulting from the corresponding contracts. For whatever temporary obstacles, this is valid only during the duration of the obstacle and the Client must deliver to SPINEA an adequate period of restarting delivering, if the Client does not conclude otherwise with SPINEA.

V. Delivery performance and a damage risk transfer

1. The delivery is performed by sending the goods to the Client or by delivering the goods for transport at the expedition from the stock in case of the delivery EX SPINEA. This refers also to partial deliveries.
2. A risk of a damage on the goods is transferred on the Client by performing the delivery according to the point 1. of this article.
3. In case of a delay of SPINEA in sending the delivery from the reason for which the Client is responsible, the risk of a damage on the goods is transferred on the Client by sending an announcement to the Client that the goods is prepared for sending. Whatever costs for storage after the transfer of a damage risk on the Client are endured by the Client.

VI. Guarantee and obligation to announce defaults

1. The Client is obliged to overlook (examine/view) the delivered goods carefully immediately after receiving the delivery, and that also in case if the performance is



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realized according to a sample, to check the integrity and coincidence of the delivery with the order. The Client is obliged to announce to SPINEA defaults of the delivery by sending its announcement of defaults, and that in writing or by fax, in the period of 7 days since receiving the goods on the place of destination or if the default could not be detected at the view, in the period of 7 days since its detection, at the latest up to expiration of the warranty.

2. Whatever damages at the transport are under announcement obligation in frame of the General international transport conditions and the Client is obliged to announce them without any delay to the transporter.
3. SPINEA will answer to the reclamation of defaults that was properly and timely applied, for which SPINEA is responsible, according to the choice of the Client mentioned in the announcement of defaults or according to the choice of the Client made without any delay after this announcement. The Client can demand:
 - to eliminate the defaults by delivering a compensatory goods for the faulty goods,
 - to deliver the missing goods,
 - to eliminate juridical defaults,
 - to eliminate the defaults by repairing the goods, if the defaults are repairable,
 - to deliver an adequate discount from the buying price,
 - to back out of contract.

The Client can demand the delivery of a compensatory goods only in case of unrepairable defaults or in case of non economic repairs. The Client can back out of the contract or to demand an adequate discount only in the case if SPINEA does not eliminate the defaults in an adequate additional period or if SPINEA does not announce before its expiration that SPINEA will not eliminate the defaults.

4. The Client cannot change the applied claim for the reclamation procedure without SPINEA approval.
5. If the Client does not announce in time or does not announce at all the choice of its claim, the Client can demand only the delivery of missing goods and elimination of other goods defaults or discount from the buying price.
6. At delivery of compensatory goods the Client is obliged to give back to SPINEA the changed goods.
7. In case of an unjustified goods defaults reclamation or in case of a reclamation that was not properly applied and that was not applied in time, the Client is obliged to compensate to the SPINEA the costs created by transport and inspection of the goods, as well as other costs that occurred in connection with it to SPINEA.
8. Together with the claims mentioned in the point 3. of this article, the Client can demand the compensation of the damage that occurred to him in connection with a justified reclamation.
9. The responsibility for defaults does not refer to the defaults that occurred in consequence of not respecting the instructions and directions of SPINEA for operation and maintenance, modifications of the products, of a change of any their parts or use of consumption materials that do not fit to its original specifications.
10. The guarantee period for quality defaults of the goods is 24 months from the delivery of the goods, but not more than 2000 operation hours where first situation occurred is valid.
11. SPINEA is not responsible for the defaults to which the quality guarantee refers, if these defaults were caused by outside events after transfer of the damage risk on the goods and nor SPINEA or the persons with help of whom SPINEA fulfilled its obligation caused them.
12. CASTROL LONGTIME PD0 and CASTROL OPTIGEAR 150 are types of lubricant standardly used in products of SPINEA. In the case of using other types of lubricant as are

standard types, without any written confirmation from SPINEA, customer loses its right to claim for the reclamation. Using other than standard types of lubricants is possible only with written confirmation from SPINEA.

VII. Property right acquisition

1. The Client will acquire the property right to the delivered goods only after complete payment of the buying price. Until that time the goods is considered to be "the goods in attachment of the property right".
2. The Client is entitled to sell or to assemble the goods in the attachment of the property right with any other thing (hereinafter "resale") only in frame of a current course (procedure) of the business. Whatever other specifications in the attachment of property right is not allowed. The Client is obliged to announce to SPINEA any resale without any delay and in writing. All the costs connected with it are endured by the Client. If the Client delivers a grace for the payment of the buying price for its own client, he shall keep the property right to the goods in attachment of property right, in frame of the terms and conditions mentioned bellow, in frame of which the attachment of property right persists to the goods in SPINEA. Failing which the Client is not entitled to resell the goods.
3. To ensure the debt of SPINEA in the extent of the value of the goods in attachment of property right, the Client by that assigns to SPINEA all debts toward its clients that had occurred for him from the resale of the goods in attachment of property right. The Client is entitled to resell the goods in attachment of property right only in case that he has settled in writing with its clients the cession of its debt that occurred from such a business, on behalf of SPINEA.. The Client is obliged to inform SPINEA about such a procedure in advance.
4. If the Client sells again the goods in attachment of property right to its client together with another goods that was not delivered by SPINEA, the debt amounting to the value of the invoice of the corresponding goods belonging to SPINEA sold in the attachment of property right will be the subject of cession according to the point 3. of this article.
5. The Client is obliged to inform its clients that the goods being sold by him is in attachment of property right. Failing which he is responsible for the damage that will create to SPINEA in consequence of the breach of this obligation of his.
6. Any processing or modification of the goods in attachment of property right results to the loss of responsibility of SPINEA for the defaults to the processed or modified goods. If the Client will process the goods in attachment of property right in such a way that the goods will become an integral part of another product or ensemble, SPINEA will acquire joint ownership to such a product or ensemble and that in proportion of the value of the goods in attachment of property right to the values of the other objects in the time when they were connected. The values of the invoice of the connected goods are decisive. The Client is obliged to keep new objects for SPINEA with obligatory solicitude of a businessman. In all other cases provisions of this article VII are valid concerning the goods in attachment of property right.
7. If the realizable value of the guarantee according to the point 3 of this article exceeded the total guaranteed debts of SPINEA of more then 20%, on the Client's demand SPINEA will release the guarantee in the extent of the created difference.
8. The Client is entitled to cash (to collect) the forwarded debts up to the cancellation by SPINEA. SPINEA is entitled to such a cancellation in the case if the Client does not fulfill its obligations of payment that are occurring from the business relationship with SPINEA or in case of finding any circumstances that could considerably reduce the creditworthiness of the Client. If the conditions for the execution of the cancellation right



were fulfilled, The Client must, on demand for SPINEA, announce the forwarded debts to it without any delay and to its corresponding debtors and to deliver it any information needed for encashment of debts, to deliver to SPINEA corresponding papers and documents and to announce to its debtors this transfer. SPINEA is also entitled to inform about this fact the debtors of the Client.

9. If the Client does not fulfill the obligation connected with any payment, SPINEA is entitled to demand the return of the goods in attachment of property right, and that at the expenses of the Client. All mentioned above is valid also in case if the Client breaks the provisions of the contract and of these general delivery terms concerning the goods in attachment of property right.

VIII. Payment conditions

1. If it is not concluded otherwise, the maturity of invoices established by SPINEA is 30 days from its establishment (the date of invoice).
2. Irrespective of whatever other decision of the Client, SPINEA is entitled to allocate (assign/bind) the realized payments to the earliest due debts of the Client, and that according to the determination of SPINEA.
3. In case that Customer delays any payment to SPINEA, then SPINEA is entitled to charge the Customer an interest on such delay of 0,03 % for each day of delayed payment.
4. For each application for payment and in case of unauthorized reductions/discounts the Client is obliged to pay to SPINEA the handling charge EUR 30.
5. All the obligations of the Client become payable in case of not respecting a payment obligation, protest of bill of exchange and grace of payment claims from the bills of exchange floating, as well as in case of finding circumstances that will call up (evoke) a rightful and considerable hesitation concerning the paying capacity and creditworthiness of the Client, including any facts that had already existed at the contract conclusion, however they were not and did not have to be known to SPINEA. SPINEA is not obliged to accord to the Client further negotiated performances and it is entitled to demand from the Client premature obligation pay-off or a guarantee granting. If the Client did not deliver a payment in advance or an adequate guarantee within two weeks from the negotiated period, SPINEA is entitled to back out of the contract without being obliged to deliver to the Client another dilatory (suspensory) period. Any other claims of SPINEA are not touched by this.
6. As for the obligation of SPINEA the Client can count in only such its debts that are not disputable between SPINEA and Client or that are not allowed by court.

IX. Reacceptance of the goods

Reacceptance of the goods is possible only according to the agreement by SPINEA in written form. A credit note will be established for the goods that is given back by the Client and that is accepted by SPINEA. The amount of such a credit note will depend on the state of the accepted goods and from the loss of its value. SPINEA is entitled to account to the Client the costs connected with it amounting to 15 % of the original supply price and the Client is obliged to pay the accounted costs to SPINEA.



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X. Changes at the Client

The Client is obliged to inform SPINEA without any delay about any change of its brand name, registered office, business or statutory structure within 7 days of changes realization.

XI. Claims for a damage compensation

1. SPINEA is responsible only for a damage that occurred by breach of such of its contractual obligations that endangered the purpose of the contract.
2. In the other affairs corresponding legal stipulations valid for the Slovak republic are valid for a damage compensation from the side of SPINEA .

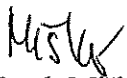
XII. Legislation choice and judicature cognizance

2. Obligation relationships created between SPINEA and the Client follow the legislative of the Slovak republic. The Convention of United Nations about the International trade (CISG) is not applied, nor any other conventions, including future interstate or international conventions, even nor after being adopted by the Slovak law.
2. Disputes occurring from or in connection with the deliveries of the goods are under judicature of the corresponding court in Prešov or according to the determination of SPINEA. The court determined in that way has an exclusive jurisdiction in matter of all complaints that are presented by the Client.

XIII. Data records of the Client

SPINEA uses the equipments for electronical data processing. That is why the data received in frame of the business relation with the Client are archived in the company.

Prešov, 10.6.2014


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