

PA Instruments

General Terms and Conditions of Sale

Date: 05/05/2015

A. General

These General Terms and Conditions of Sale shall apply to any and all business relations between PA Instruments s.r.o. (hereinafter referred to as PA) and the customer, even it is not mentioned in subsequent contracts. All other point, especially the purchase terms and conditions of the customer, are not binding for PA, also in case PA does not raise express objection against them. An agreement between the customer and PA made in addition to or deviating from PA's General Terms and Condition of Sale shall be laid down in the respective contract in writing. Any verbal agreements deviating from these terms of delivery, especially oral promises of Sales Managers, have to be confirmed in writing.

B. Quotations

Quotations quoted by PA are subject to change and nonbinding. They are subject to confirmation that means that they are revocable until acceptance. Our offers expire 30 days after quotation. The customer declares the binding acceptance of our quotation by placing an order.

C. Drawings and Specifications

Drawings and Specifications regarding to weight, dimension, performance as well as other description of the products shall only be approximate unless expressly specified as binding. PA reserves the right to make technical changes. PA reserves all rights of ownership and copyrights to all our documents as drawings, calculations, brochures, catalogues, tools and samples. The customer shall return upon PA's request to PA all documents, tools and samples which are no longer necessary for the current business. The customer has no right to open the internal information and samples to third parties without PA's agreement.

D. Orders

Orders are not binding until confirmation by PA in a written form. Changes to the scope of delivery by the customer require the written confirmation of PA to be effective. PA shall not be bound by any details in offers as well as order confirmations that are obviously based on mistakes such as miscalculation and typing errors. PA may rescind the order or contract if the customer or a third party files a request for opening of insolvency or comparable proceedings against its assets.

E. Prices

Unless specific agreements are made to the contrary, all prices apply ex works PA and are exclusive of shipping costs, insurance, taxes, customs duties, etc. VAT, if applicable, will be shown separately on the invoice. In case of unjustified cancellations of orders, PA is entitled to claim a cancellation fee in the amount of

70% of the net order value. Cancellation is only possible after confirmation from PA and depends on the process stage of production.

F. Payment Terms

Will be agreed within the quotation. We reserve the right to demand advance payment from the customer when ordered and/or before shipment. All payments shall be made free of charge to PA's bank account. If the time of payment should be exceeded, PA is entitled to charge interest for detention to at least 8% above the ruling bank rate of the European Central Bank.

G. Deliveries

The mutual agreed delivery periods are approximate periods. PA has the right to have a tolerance of +/- 3 weeks to the confirmed delivery date. The agreed delivery period starts with the date of the signed order confirmation and after all technical questions have been solved and the dial artwork has been approved by the customer. PA has the right to delay orders because of missing advanced payments or delayed payments of former orders. PA reserves the right to make excess of short deliveries of up to 5% of the scope of delivery for special reasons. A part shipment is allowed. If PA does not receive forwarding instruction sufficient to the customer to enable it to dispatch the goods within 14 days after the date of notification that they are ready for dispatch, the risk shall pass to the customer. The customer shall be entitled to arrange storage either at his own works or elsewhere on behalf of the customer and all charges for storage insurance shall be payable by the customer.

H. Delays in Deliveries

Deliveries obligations and delivery periods will be interrupted as long as the purchaser is behind with his payments. Compensation claims of PA are not touched thereby. In the case of a delay in delivery, the customer has to grant an appropriate extension of the delivery periods of at least four weeks. The amount of any damage claims of customer's because of any delay or impossibility, except in cases of gross negligence shall be limited to the price of the delayed or non delivered parts of the delivery. Rights of indemnity on account of deferred delivery are excluded.

I. Risk

If the customer has not given detailed instructions for delivery, PA shall dispatch the goods in the best of his judgement. PA does not take over any obligation with respect to forwarding at the lowest possible price. All shipments will be forwarded for account and risk of the customer. The risk passes to the customer even when goods are delivered carriage paid (DDU). If the customer falls into default in accepting the goods, PA is entitled to demand compensation for the damage incurred including possible additional expenses. PA may store the products at the expense of the customer as long he is in default. PA will charge a rate of 0,5% of the net value for each commenced calendar week of default. The delivered goods has to be accepted by the customer even if they have minor defects. Any liability of PA for non-delivery of, or damage to, the goods shall be limited to replacing the goods within a reasonable time or issuing a credit note at the pro rata contract rate against any invoice raised for such goods and subject

with this clause PA shall have no further liability in respect of the loss or non-delivery of the goods. Loss or damage to the goods after the risk has passed to the customers does not discharge him from his obligation to pay the price and the sum according to the invoice, unless the loss or damage is due to an act or omission of PA.

J. Liability

PA shall not be liable for any direct, indirect or consequential loss (all three of which terms include, without limitation, pure economic loss, loss of profit, loss of business, depletion of goodwill and similar loss) costs, damages, expenses caused directly or indirectly by: any delay in delivery of the goods and/or any loss or failure to deliver the goods, any damage to the goods in transit, any defect in design or materials or workmanship of the goods, any breach of these conditions or of the contract, any use made, or resale, by the customer of the goods or any product incorporating the goods.

K. Force Majeure

PA reserves the right to defer the date of delivery or cancel the contract or reduce the volume of goods ordered by the customer (without liability to the customer) if it is directly or indirectly prevented from or delayed in performing the contract due to circumstances beyond the reasonable control of PA including (without limitation) strikes, lock-outs, riots, military or usurped power, war, blockade, fire, ice, government action.

L. Defects

Material defects become statute-barred 12 months after delivery. PA has to prove the cause of defect during the first 6 months of warranty. After a period of 6 months, the customer will be responsible to prove that PA is responsible for the defect. Any complaints with respect to quality or quantity of the goods supplied has to be raised in writing within 8 days from the receipt of goods, indicating the dates of order, numbers of invoice and dispatch note, and enclosing samples of defect goods. Latent defects has to be notified in writing immediately on discovery. The burden of proof for the fact that it deals with a latent defects rests with the customer. Justified customer's complaints raised in due time will be granted by us according to our choice by means of either exchange of deficient goods or compensation of the undervalue, provided that the relevant articles are still in the same condition as on delivery. In case of shortage, it is at PA's option whether he shall supply goods in replacement or credit the relevant amount. Customer may not refuse to accept consignments on account of insignificant defects. The assertion of claims based on defects is excluded if the defect results from natural wear and tear in particular of wear parts or is due to improper handling, mounting, operation, or storage, or faulty modification of repair of the products performed by the customer or third parties. The same shall apply for defects attributable to the customer, in particular in case the defect is based on chemical, physical or thermic factors which are unusual and which the customer did not refer PA in writing during the quotation or ordering process. The same applies for defects resulting from a technical cause other than the original defect. Insofar as legally admissible, PA's obligation to provide compensation, no matter for what legal reason, shall be limited to the invoice value of those goods which

are directly involved in the event causing the damage. In case of slight negligence of non-essential contractual obligations, any claims for compensation shall be excluded. Insignificant reasonable deviations in size and design shall not justify any complaints, unless absolute adherence has been expressly agreed upon. If the operating and maintenance instructions according to EN 837-1 are not observed, the products are modified, components are exchanged or consumption parts are used, warranty shall expire. Customer may withhold payments to an extent commensurate with the defects found. Customer may only withhold payment if the notice of claim concerns defects which are indisputably justified.

M. Detention of Title

In no case will ownership of the goods pass to the customer until payment of the full contract or order price and all other sums which are payable to PA and any account have been made by the customer. The customer's right to possession of the goods shall terminate immediately if the customer has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors. The customer grants PA, its agents and employees an irrevocable license at any time to enter any premises where the goods are or may be stored in order to inspect them, or, where the customer's rights to possession has terminated to recover them.

N. Place of Contract and Jurisdiction

For all rights and obligations resulting from the contract, Trenčín in Slovakia is place of contract and jurisdiction for both parties. However, PA shall also be entitled to sue the customer at the latter's domicile. All legal relations associated with the present contractual agreement shall be governed by Slovak substantive Law excluding the United Nations Convention on the International Sale of Goods (CISG).

O. Special Agreements

Or eventual legal invalidity of individual clauses of these delivery terms do not affect validity of the remaining clauses. The right of the customer out of this contract is not transferable.