



GENERAL TERMS AND CONDITIONS FOR SALE

PART B: GENERAL TERMS AND CONDITIONS FOR A DISTRIBUTOR

(hereinafter referred to as the "General terms")

1. INTRODUCTORY PROVISIONS AND TERMS DEFINITIONS

1.1. Contracting parties agreed on definitions as follows:

1.1.1. "**KINEX BEARINGS**" shall mean legal person KINEX BEARINGS, a.s., seat: 1.mája 71/36, 014 83 Bytča, Slovak Republic, ID no.: 35 962 623, that is as a legal person registered in a business register of the district court Žilina, section: Sa, file no. 10613/L.

1.1.2. "**DISTRIBUTOR**" shall mean natural or legal person, which concluded a framework distribution contract with the KINEX BEARINGS that directly refers to these General terms and acquires the goods of KINEX BEARINGS under this Agreement and subsequently places those goods on the market for its Customers.

1.1.3. "**CONTRACT**" shall mean framework distribution contract concluded between the KINEX BEARINGS and the Distributor pursuant to section 409 and foll. of the Act no. 513/1991 Coll. Commercial Code as amended and the content of which is determined by reference to these General terms by the will of the contracting parties.

1.1.4. "**PARTIAL CONTRACT**" shall mean individual contract of sale concluded between KINEX BEARINGS and the Distributor pursuant to section 409 and foll. of the Act no. 513/1991 Coll. Commercial Code as amended on the basis of a framework distribution contract, at the time of delivery of the KINEX BEARINGS's acceptance of the Distributor's Order.

1.1.5. "**ORDER**" shall mean an unilateral legal act of the Distributor addressed to the KINEX BEARINGS by which the Distributor expresses its will to acquire from KINEX BEARINGS the Subject of the purchase for Purchase price under the framework distribution contract.

1.1.6. "**GOODS**" shall mean the goods sold by the KINEX BEARINGS and specified in the attachment no. 1, that is inseparable part of the Contract.

1.1.7. "**PURCHASE PRICE**" shall mean the purchase price for the Goods, that is listed in a price list; price list forms the attachment no. 2 that is inseparable part of the Contract.

1.1.8. "**DISTRIBUTOR'S CUSTOMER**" shall mean a natural or a legal person, that acquires the KINEX BEARINGS's goods from the Distributor.

1.1.9. "**LIST**" shall mean a written list of the Distributor's customers – which shall be handed over by the Distributor to the KINEX BEARINGS in the event the Distributor requires a special service or support of the KINEX BEARINGS, with the



regard of the Distributor's customer specificity.

- 1.2. References to the KINEX BEARINGS and links to the Distributor found in General terms or in the Contract shall also apply to its own employees, its statutory, supervisory and other authorities and members of these bodies, its authorized representatives, legal successors and its rights acquirers and/or the obligations of the relevant Contract.
- 1.3. References to a third person, found in General terms or Contract, include any natural person, legal person, organizational unit, association, state or other person with separate legal personality.
- 1.4. References to "days", found in General terms or Contract, shall mean references to calendar days. References to "workdays", found in General terms or Contract, shall mean references to any day except Saturday, Sunday and days for which there is a public holiday or another day off, according to the valid legal regulations of the Slovak Republic.
- 1.5. The purpose of these General terms is to govern the mutual rights and obligations of the legal relationship established by the Contract between KINEX BEARINGS and the Distributor, while these General terms shall be an integral part of the respective Contract.
- 1.6. Should any of the provisions of the General terms be in conflict with the provisions of the Contract, the aberrant arrangements between the contracting parties specified in the respective Contract shall prevail over the provisions of the General terms.
- 1.7. Unless the use of the General terms or any of its provisions in the Contract is expressly excluded for any of the matters regulated by the Contract, the contractual relationship between the parties is governed by these General terms.

2. ORDER OF GOODS

- 2.1. If KINEX BEARINGS and the Distributor have entered into the Contract that has the nature of a framework contract, KINEX BEARINGS shall supply the Distributor with the Goods the Distributor is ordering on the basis of a written Order delivered to KINEX BEARINGS through:

- 2.1.1. e-mail delivered to the email address of the KINEX BEARINGS contact person listed in the Contract header, or

- 2.1.2. in writing on the address of the KINEX BEARINGS's seat listed in the Contract header.

For the avoidance of any doubt, the parties declare that the Order shall be considered to be a Distributor's proposal to conclude the Partial contract.

- 2.2. The Order shall be deemed delivered when delivered to the KINEX BEARINGS's disposition sphere. In the case of an Order delivered pursuant to par. 2.1.1. the Order shall be deemed delivered three days after it is sent from the Distributor's email address at latest.



- 2.3. The Distributor's order must include the following, otherwise the Distributor's legal act can not be considered as the Order:
 - 2.3.1. indication of and seller and the Distributor,
 - 2.3.2. specifying the type and quantity of the Goods,
 - 2.3.3. a specification of the Contract under which the Order is submitted,
 - 2.3.4. delivery term for the Goods,
 - 2.3.5. place of delivery for the Goods.
- 2.4. In the event that the Order does not contain requisites specified in par. 2.3 of the General terms, KINEX BEARINGS shall promptly notify the Distributor of this fact in any of the ways specified in paragraph 2.1., without undue delay after its delivery, no later than 5 working days after its delivery and express any reservations to the Order. In the event KINEX BEARINGS has reservations about the delivery term for the Goods proposed by the Distributor, it will propose to the Distributor the nearest delivery date term in which it is capable of delivering Goods. Unless the Distributor express its disagreement with the proposed delivery term within 5 working days of delivery of the KINEX BEARINGS's opinion, it shall be deemed that Distributor agreed with the proposed delivery term and accepts the counterproposal of the KINEX BEARINGS; this moment shall be considered as the day of the Partial contract formation.
- 2.5. For the creation of a Partial contract on the basis of a delivered Order, KINEX BEARINGS must send to the Distributor a written acceptance of the Order in any of the ways specified in par. 2.1. of the General terms. In the event KINEX BEARINGS does not make any reservations in accepting the Order, the Order is deemed to be unconditional and the Partial contract becomes binding to the contracting parties.
- 2.6. Unless otherwise stated, by delivering acceptance of the Order that does not conflict with the provisions of these General terms to a Distributor, the Partial contract shall be deemed to be concluded in the wording of these General terms.
- 2.7. In the event KINEX BEARINGS does not acknowledge the Order in writing or fails to send a counterproposal to the Distributor within the time limit specified in par. 2.4 of the General terms, Order shall not to be accepted; In such case the Partial contract is not formed. If KINEX BEARINGS does not deliver to the Distributor the acceptance of the Order within 10 days of its delivery, the Order is also deemed to be not accepted.

3. PACKAGE

- 3.1. The goods shall be packaged in the usual way so as not to be damaged. Packaging is for disposable use.
- 3.2. KINEX BEARINGS shall mark the packed Goods as a shipment to the Distributor according to its own standards, which are in accordance with the generally accepted international legal regulations. In the event of a Distributor's request, KINEX BEARINGS may mark the packed Goods according to the Distributor's instructions, provided that this instructions are not inconsistent with the KINEX BEARINGS's internal standards and will be specified in the Contract or Partial contract. In the event of a discrepancies of a



Distributor's instruction with KINEX BEARINGS's internal standards or in the event of a discrepancies with the Contract or the General terms, KINEX BEARINGS shall be entitled to reject the instruction unilaterally.

4. TRANSITION OF DAMAGE DANGER AND ACQUISITION OF OWNERSHIP

- 4.1. Contracting parties agreed that the danger of damage to the Goods shall pass to the Distributor in accordance with the agreed delivery clause, but at the latest when the Goods is delivered to the first carrier.
- 4.2. Distributor acquires the ownership to the Goods at the moment of assigning the entire Purchase price to the KINEX BEARINGS's bank account stated at the heading of these General terms. Purchase price shall contain VAT, in the event Distributor is obliged to pay such tax.

5. RIGHTS AND DUTIES OF THE CONTRACTING PARTIES

- 5.1. KINEX BEARINGS declares that Goods is not burdened with any executions, liens or other rights of third parties and Goods has no other legal defects and no other defects.
- 5.2. Distributor shall:
 - 5.2.1. pay KINEX BEARINGS Purchase price in accordance with the Contract or the Partial Contract, including shipping costs of the Goods from the place of delivery to the destination according to the agreed delivery terms,
 - 5.2.2. take the Goods from the carrier and immediately after taking it with due care to examine the entire contents of it, with regard to whether the Goods has no obvious qualitative or quantitative defects and confirming this take-over by signing the delivery note issued by KINEX BEARINGS,
- 5.3. KINEX BEARINGS shall:
 - 5.3.1. deliver the Goods to the Distributor in quality, quantity and design according to internal KINEX BEARINGS standards and under the terms and conditions agreed in the Contract and / or the Partial Contract and in these General Terms,
 - 5.3.2. notify the Distributor if KINEX BEARINGS is not in a position to deliver the Goods for objectively not induced reasons, as soon as he has learned of such reasons; In such case both parties are entitled to withdraw from the Contract or the Partial Contract under the terms and conditions set forth in these General terms.
- 5.4. Contracting parties agreed that during the duration of the contractual relationship, they shall inform each other of any changes in the business name, seat / place of business, object of activity, method of dealing with third parties, as well as to communicate all relevant facts that may affect the performance of their contractual obligations.
- 5.5. Each contracting party shall, without undue delay, notify the other party in writing of the bankruptcy proceedings, corporate restructuring or entry into liquidation.



- 5.6. Distributor is not entitled to withhold any fulfillments towards KINEX BEARINGS if these are based on mutual claims arising from different Contracts or Partial Contracts.
- 5.7. Distributor is not entitled to unilaterally set-off any claims against KINEX BEARINGS. The Distributor is not entitled, without the prior written consent of KINEX BEARINGS, to assign any claim against KINEX BEARINGS to a third party. nie je oprávnený jednostranne započítať akékoľvek nároky voči KINEX BEARINGS.

6. OTHER RIGHTS AND DUTIES OF THE DISTRIBUTOR

- 6.1. Distributor shall perform its business with the utmost professional care during the next presentation and sale of the Goods so as to preserve and improve the position of Goods as well as the good name and reputation of KINEX BEARINGS.
- 6.2. Distributor undertakes to set up its pricelists to adhere to the principles of the use of an appropriate business margin so as to create the best possible conditions for the successful sale of KINEX BEARINGS products. At the same time, it undertakes to accept the comments and recommendations of KINEX BEARINGS in this area.
- 6.3. Distributor shall prefer products of KINEX BEARINGS while re-selling to its customers or any other third person, if KINEX BEARING is capable of delivering.
- 6.4. Distributor undertakes to inform KINEX BEARINGS about its marketing and commercial activities and to use trademark, trade name, logo and reference of KINEX BEARINGS in accordance with its instructions and these General terms. When presenting products from KINEX BEARINGS portfolio, the Distributor commits to appropriately use KINEX BEARINGS trademarks and logos so that the presented products are clearly defined and assigned to KINEX BEARINGS and there is no risk of their confusion with other competitors. In the event of marketing and business activities concurrence with KINEX BEARINGS, the Distributor shall accept the KINEX BEARINGS decision on the resulting form and performance of these activities
- 6.5. Distributor undertakes not to sell or offer counterfeits, imitations and other infringing rights of the KINEX BEARINGS Goods, regardless of source it appears on the market and not to otherwise abuse the signs and registered trademarks of KINEX BEARINGS. If KINEX BEARINGS demonstrates such an activity to the Distributor, it is entitled to an unjustified benefit that would have arisen to the Distributor in the event of such activity. Distributor undertakes to allow KINEX BEARINGS to audit its warehouse premises within the term specified by KINEX BEARINGS.
- 6.6. Distributor undertakes to inform KINEX BEARINGS immediately on the occurrence of counterfeit products and to coordinate steps to protect the good name and reputation of KINEX BEARINGS. In doing so, it shall provide KINEX BEARINGS with assistance and co-operation.
- 6.7. In the event a final customer conditions the delivery of KINEX BEARINGS goods directly through KINEX BEARINGS, or the resulting price level will not allow the delivery of products using the Distributor's margin, the Distributor undertakes to transfer such contact or business case to KINEX BEARINGS, while in such case both parties shall agree on the amount of commission or remuneration the KINEX BEARINGS pays to the Distributor in the event of a successful implementation of such a business case.



- 6.8. Distributor shall provide optimal information on the market position of the KINEX BEARINGS products and Goods as a rule by 30th of August of the relevant year, but not later than 15th of September. Distributor shall conduct a joint negotiation with KINEX BEARINGS on the business conditions and turnover of its territory and customers for the next calendar year.
- 6.9. Distributor undertakes to keep the trade secret throughout the duration of the Contract and even after its termination in full extent and also to treat all the information obtained from KINEX BEARINGS as a trade secret. In the event of breach of this obligation, KINEX BEARINGS shall be entitled to the unjustified benefit that would arise to the Distributor as well as to the damages caused by such breach by the Distributor. The provisions of the specific agreement on confidentiality of information are not affected by this provision.
- 6.10. Business secrets are all business, manufacturing, or technical facts related to KINEX BEARINGS that at the same time have actual or at least potential material or non-material value, are not normally available in the relevant business circles, according to KINEX BEARINGS will shall be kept secret and KINEX BEARINGS accordingly secures their secrecy.
- 6.11. Business secret resulting from the Contract or the Partial Contract is mainly its subject matter, price, price list, other performance, the parties, the terms of the contract and other content of the Contract, which shall be kept secret on behalf of KINEX BEARINGS.
- 6.12. Distributor is obliged to keep the related documents which he has obtained in performing his activity under the provision of article 8.4. and 8.5. for a period of 3 years and upon request submit them to the KINEX BEARINGS, even after termination of the Contract. If these documents have been obtained from KINEX BEARINGS, they shall be returned on request. Upon expiration of the storage and termination of the Contract, the Distributor is obliged to liquidate the documents according to this article.
- 6.13. In the event of impossibility to perform its activities, distributor is obliged to notify KINEX BEARING without undue delay.
- 6.14. Distributor undertakes that all business cases for which it would commit to deliveries and terms of business over a period longer than that agreed in the Contract with KINEX BEARINGS it shall perform a binding consultation with KINEX BEARINGS prior to confirming the contract with customer. The duration of the deliveries to the Distributor's customer shall be subject to a mutual agreement. Consultation is mandatory before every business case with the commodity axle bearings for rolling vehicle.
- 6.15. In the event that the Distributor breaches his obligations under articles 8.3., 8.5., 8.9. of these General terms, KINEX BEARINGS has the right to invoice a contractual fine up to 20% of the value of the Goods taken over in the given calendar year of the Contract that shall be due under the KINEX BEARINGS invoice and to withdraw from the Contract. Payment of a contractual fine is without prejudice to KINEX BEARINGS's right to compensation for any and all damages incurred as a result of a breach of the obligation to which the incurrence of a contractual fine applies.
- 6.16. In case a Distributor's Customer announces a public tender or public procurement for the KINEX BEARINGS product, Distributor undertakes to inform KINEX BEARINGS, which reserves the right to engage in such public tender or public procurement. In the



event of a Distributor breaching this obligation, KINEX BEARINGS has the right to withdraw from the Contract.

- 6.17. Distributor Distributor undertakes to provide KINEX BEARINGS with all known price information for final customers in order to maintain the KINEX BEARINGS brand position on the relevant market.

7. SPECIAL RIGHTS AND OBLIGATIONS OF KINEX BEARINGS

- 7.1. KINEX undertakes to keep the Distributor informed of any significant circumstances that may affect the performance of the Contract.
- 7.2. KINEX BEARINGS undertakes to provide the Distributor, upon request, with the documents necessary for the performance of the Contract.
- 7.3. KINEX BEARINGS will provide the Distributor with appropriate technical assistance, based on Distributor's requirements, both in terms of enforcing new potential customers and cooperating with customers already acquired.
- 7.4. KINEX BEARINGS will immediately inform the Distributor about price changes, provide up-to-date information, and product selection options for his business group.
- 7.5. KINEX BEARINGS shall inform the Distributor according to its needs about the realized and upcoming technical development of their products.
- 7.6. KINEX BEARINGS undertakes to Distributor, upon direct contact and delivery of goods to a customer addressed on the basis of the Distributor's activity under the article 7.8. of these General terms, after payment of payment for goods from this customer, to agree with the Distributor to pay an agent commission or remuneration.
- 7.7. KINEX BEARINGS undertakes to keep the trade secret throughout the duration and after the termination of the Contract, as well as to treat all information identified by the Distributor as a trade secret.

8. RESPONSIBILITY OF KINEX BEARINGS AND WARRANTY

- 8.1. KINEX BEARINGS undertakes to deliver Goods to the Distributor in a quantity, quality and kind in accordance with the Contract or the Partial contract. Goods at the time of its production and delivery is in accordance with the valid ISO, EN and STN standards for rolling bearings and KINEX BEARINGS internal regulations.
- 8.2. KINEX BEARINGS is responsible for defects that Goods has at the time of its delivery. For defects that occurred after the Goods was handed over, KINEX BEARINGS is liable if it was caused by a breach of its obligations under the Contract and the General terms.
- 8.3. KINEX BEARINGS provides a warranty on Goods for a period of 24 (twenty-four) months from the date of the passing of the danger of a damage to the Distributor.
- 8.4. KINEX BEARINGS is responsible for damage occurring after the risk of damage is passed, only to the extent of the warranty provided (defects caused in particular by material defects, functional errors).



- 8.5. A warranty does not apply for defects caused by actions as follows:
- 8.5.1. if the Goods was damaged as a result of the accident of the device, which included the Goods and the accident was not proven to be caused by a defect of the Goods,
 - 8.5.2. if the Goods has been damaged as a result of any interventions, including repairs, by third parties,
 - 8.5.3. if the Goods was used for purposes for which the Goods can not be used for reasons based on its technical parameters,
 - 8.5.4. if Goods has been used in violation of the instruction manual or other accompanying documentation,
 - 8.5.5. if Goods has been damaged due to improper or inexperienced installation, especially due to installation without due care,
 - 8.5.6. if Goods has been damaged due improper manipulation by a Distributor, including improper or inappropriate storage,
 - 8.5.7. defects cause by a carrier or any other third persons,
 - 8.5.8. if defects arise from the normal wear and tear of the Goods due to their use under normal operating conditions,
 - 8.5.9. if defects arise due to a *vis maior*.
- 8.6. Furthermore, KINEX BEARINGS shall not be liable for lost profits or any other economic indirect damages incurred to the Distributor and related to the Goods.

9. RETURN POLICY

- 9.1. Distributor is entitled to claim KINEX BEARINGS 's liability for defects in writing or electronically at the address specified in the Contract heading.
- 9.2. Distributor's complaint report must be in English or Slovak language and must contain:
- Distributor's name,
 - Contract number and invoice number,
 - date of delivery of the Goods,
 - type of shipping,
 - clear and comprehensible description of the reason for the claim,
 - stamp and signature of the Distributor's competent employee.
- 9.3. Defects that the Goods had at the time of passing the danger to the Distributor (visible defects), defects in the quantity of the delivered Goods, defects consisting in delivery of the other Goods than agreed, any damage to the inner package of the Goods and mechanical damage to the Goods, is the Distributor obliged to claim without undue delay, but not later than 5 business days from the date of delivery of the Goods to the destination. In the event of defects other than those referred to in the first sentence of



this article, the Distributor is obliged to claim a defect without undue delay, but no later than within 5 business days of the date of its identification.

- 9.4. KINEX BEARINGS is obliged to determine the manner of handling the claim within 10 days of the date of the claim, in justified cases, especially if a complex technical evaluation of the Goods is required, no later than 30 days after the date of the claim. KINEX BEARINGS shall provide a written document on handling the claim no later than 30 days after the date of the claim. KINEX BEARINGS reserves the right to reject the claim as unfounded.
- 9.5. If the claim is considered as founded, KINEX BEARINGS may only settle the complaint, by agreement between the parties, in one of the following ways:
 - 9.5.1. by written agreement of contracting parties,
 - 9.5.2. by removing claimed defects by supplying a replacement Goods corresponding to the defective one, specified in complaint report, or by supplying a missing part of Goods,
 - 9.5.3. repairing of Goods, in the event defects are repairable,
 - 9.5.4. to provide the Distributor with a reasonable discount from the Purchase Price.
- 9.6. The way of settling complaint under article 9.5. shall be determined by agreement between contracting parties. The agreed way cannot be changed unilaterally by the contracting party.
- 9.7. Any costs associated with resolving a legitimate claim in any of the ways listed in article 9.5. and with removing detected defects lays on KINEX BEARINGS.
- 9.8. Any costs associated with resolving the claim by its rejection as unfounded lays on Distributor. Remuneration of these costs is the Distributor obliged to pay to KINEX BEARINGS within 14 days of the date of delivery of their invoice to the KINEX BEARINGS, using the payment terms agreed in the Contract.

10. DURATION AND TERMINATION OF THE CONTRACT

- 10.1. Unless stated otherwise, the Contract is concluded for indefinite period.
- 10.2. The Contract may be terminated as follows:
 - 10.2.1. by a written agreement of both contracting parties,
 - 10.2.2. by a written notice of a contracting party,
 - 10.2.3. by a written withdrawal,
 - 10.2.4. by a lapse of time.
- 10.3. The Partial contract may be terminated as follows:
 - 10.3.1. by a written agreement of both contracting parties,



- 10.3.2. by a written withdrawal from the Partial contract.
- 10.4. The Contract or the Partial contract may be terminated by a written agreement of both contracting parties. In the event of an agreement on terminating the Contract or the Partial contract, the Contract or the Partial contract shall be terminated on the agreed date.
- 10.5. Unless otherwise agreed in these General terms or in the Contract, KINEX BEARINGS is entitled to withdraw from the Contract for the following reasons:
- 10.5.1. the Distributor has been declared bankrupt or a bankruptcy petition has been rejected for lack of Distributor's assets,
 - 10.5.2. the Distributor enters the process of liquidation,
 - 10.5.3. the Distributor fails to comply with the deadlines for fulfilling his obligations despite the written notice given and providing a reasonable additional period,
 - 10.5.4. repeated delay of the Distributor with a payment of the purchase price for the Goods with more than 30 days after the due date,
 - 10.5.5. the Distributor's delay in paying the Purchase Price for the Goods more than 30 days after the due date for two (2) or more Partial contracts at the same time.
- 10.6. Unless otherwise agreed in these General terms or in the Contract, KINEX BEARINGS is entitled to withdraw from the Partial contract for the following reasons:
- 10.6.1. Distributor's delay with payment of the purchase price for the Goods more than 15 days after the maturity date.
- 10.7. The withdrawal from the Contract or the Partial contract shall be effective on the day on which the written withdrawal is delivered to the Distributor.
- 10.8. In the event of the KINEX BEARINGS's withdrawal from the Contract, it shall be considered that KINEX BEARINGS also withdrew from all Partial contracts, including those that were not yet fulfilled at the date of withdrawal.
- 10.9. In the event that KINEX BEARINGS fails to meet the delivery term negotiated under the Contract or the Partial contract for more than 60 days, the Distributor is entitled to withdraw from the Particular contract to which the supply of the Goods relates or withdraw from the Contract, with the exception of the one with a framework nature.
- 10.10. Withdrawal from the Contract or the Partial contract shall be in writing and shall be delivered to the other party. Consequences of withdrawal from the Contract or the Partial contract are governed by the relevant provisions of the Commercial Code. Withdrawal from the Contract or the Partial contract shall not result in arrangements which, according to the will of the parties or by reason of their nature, shall continue to exist even after the termination of the Contract or the Partial contract.
- 10.11. Contracting parties agreed that if the Distributor withdraws from the Partial contract prior to the delivery of the goods under this Contract, the Distributor is obliged to pay KINEX BEARINGS all costs associated with the production of the goods and all other



related costs, shipping costs in particular, KINEX BEARINGS began to perform prior to the withdrawal from the Distributor's Partial contract. This shall be without prejudice to the KINEX BEARINGS's claim for damages.

- 10.12. The KINEX BEARINGS and the Distributor are entitled to terminate the Contract in writing without giving any reason. In the event of a notice given during the first year of the Contract, the notice period is one month, the notice given in the second year of the Contract is two months' notice and if the contract lasts three or more years, the notice period is three months.
- 10.13. A notice period starts to lapse from the first day of the calendar month following the date of delivery of the notice.
- 10.14. If the Contract was concluded for a certain period, the Contract shall terminate upon the expiry of the last day of the period for which the Contract was concluded.

11. VIS MAJOR

- 11.1. No contracting party shall be liable to the other contracting party for any loss or damage resulting from a breach of its obligations as a result of *vis major*. This applies only if the circumstances that exclude liability - *vis major* - are not caused by the party invoking them. As a *vis major* shall be considered situations arising without the influence or participation of one or other party, such as war, uprising, strikes, measures of public authorities, natural disasters, etc., that at the time of conclusion of the contractual relationship were not known, have a direct effect on the fulfillment of the subject matter of the Contract and which parties could not, respectively, will not be able to avert even with the use of due professional care. A party affected by the circumstances of a *vis major* is obliged to inform the other party without undue delay and to provide the other party with a veracious evidence. In the event of the occurrence of *vis major* reasons, contractual penalties other than those which arose prior to the occurrence of the circumstances of the *vis major* shall not apply. Both parties will take all necessary steps to minimize mutually imminent damages and other losses.
- 11.2. A contracting party that invokes *vis major* is obliged to immediately upon the detection of such facts that prevent the proper performance of the subject of the contract to request the other party to modify the Contract or the Partial contract in relation to the subject of the contract, the Purchase price, the place and time of performance.
- 11.3. In the event that the agreement under the preceding section does is not concluded within 14 days from the date of notification of one of the contracting parties to the other contracting party, each of the contracting parties may withdraw from the Contract.

12. INTELLECTUAL PROPERTY RIGHTS

- 12.1. The Goods may be protected by the trademarks and special markings (logo) of KINEX BEARINGS or its subsidiaries, while the Distributor is authorized to use such trademarks upon the terms and conditions set forth below.
- 12.2. The Distributor may use the trademarks of KINEX BEARINGS solely to mark the goods of KINEX BEARINGS Including their use for the purpose of selling these goods, solely with



the ® brand.

12.3. The Distributor agrees to use the trademarks and markings:

12.3.1. in line with the business practices and the standard practices of competition,

12.3.2. in such a manner as to strengthen the position and credibility of such trademarks within the respective business circles and the general public,

12.3.3. only with a view of reselling the Goods and promoting it in a common manner,

12.3.4. only in the graphic layout and colors determined in the graphic manuals of the particular trademark owners. The binding trademark graphic layout and color arrangement shall be presented to the Distributor by KINEX BEARINGS or by a person entrusted with it.

12.4. When using the trademarks, the Distributor is obliged:

12.4.1. to proceed in such manner as to avoid:

- a) diminishing the credibility of the trademark (discrediting) in any of the following way:
 - placement of the trademark in such locations or placing it in such a manner that there is a risk of indirectly impairing or mocking the trademark or diminishing the respect shown by the public for it;
 - using of the trademark in such advertisements that would by their nature and contents derogate from the common ethical standards of advertising;
 - any other handling of the trademark that might cause the public to view the trademark adversely;
- b) using the trademark in an altered or incomplete graphic form, in particular an overall simplification of its visual arrangement or simplifications to its particular elements or the mutual proportions of its particular elements, or using it in different colors, or using the hitherto existing images of the trademark without confronting them with the determined graphic layout and coloring of the trademark and additionally correcting them (e.g. different shading, different angle of inclination of characters, etc.);
- c) using the trademark in a way that is objectively prejudicial to the legitimate interests of the trademark owner or KINEX BEARINGS, or entities controlled by it, notably using the trademark in materials containing incomplete, unreliable or distorted data and information on the products and services delivered under the trademark;
- d) applying such methods of using the trademark which establish any of the features of unfair competition, in particular:
 - false advertising – using the trademark in such a way as to disseminate that information on the products or services associated with the trademark which is capable of evoking a misleading perception of such products and services, and so enabling a particular entrepreneur involved in economic competition to gain profit to the detriment of other competitors or consumers;
 - parasitic exploitation of the reputation of another competitor's enterprises, products or services, i.e. using the trademark in such a way as to exploit the



reputation of enterprises, products or services of one competitor with the aim of gaining extra benefit for someone else's business, which advantage would not be otherwise gained;

- any other disposal of the trademark in economic competition, which is contrary to the standard practices of competition and might be prejudicial to other competitors or customers;
- e) the use of a trademark or marking together with another registered or non-registered business name in a way in which such joint use would unduly benefit from the distinctive character or reputation of the KINEX BEARINGS mark, even if such use did not reach the level of unfair competition,
- f) the use of the trade mark or marking in a way which is capable, directly or indirectly, of undermining their distinctive character, in particular by using the trademarks together side by side.

12.4.2. Not to use a marking identical or confusable with a specific marking of an enterprise (including its trademark) or with the business name of another entity engaged in the same line of business or lines of business confusable in economic competition along with the trademark (so-called combined or universal packaging) on the packaging of products;

12.4.3. To advise the owner of the trademark of any potential unauthorized or inappropriate use of the trademark by third parties;

12.4.4. Not to use in the basis of its business name or other marking of its business, including the undertaking controlled by it, a sign identical or similar to the KINEX BEARINGS or whatever it is or similar to the KINEX label itself.

12.5. Should the Distributor breach any of his obligations laid down in section 12.3. and 12.4. of this General terms, he is obligated to pay KINEX BEARINGS a contractual penalty for each breach, amounting up to 20% of the value of Goods to be delivered to the Distributor during the respective calendar year, payable based on an notice issued by KINEX BEARINGS on a day following its delivery to the Distributor. The payment of the contractual penalty shall be without prejudice to KINEX BEARINGS's entitlement to compensation for all and any damage caused by a violation of any of the obligations to which the contractual penalty applies

13. ANTI-CORRUPTION CLAUSE

13.1. As the parties have an interest in establishing and developing mutually fair cooperation based on mutual trust and respect for ethical principles,

13.1.1. the Distributor declares that, neither in connection with the conclusion of any Contract nor in connection with the pre-contractual negotiations with the KINEX BEARINGS, his employees, members of statutory bodies or other persons acting for the Distributor or representing him or acting directly or indirectly in favor of the Distributor (hereinafter referred to as a „**person representing the KINEX BEARINGS**“),

- a) he was not asked and has not promised and has not provided directly or indirectly to any person representing the KINEX BEARINGS or to other



person directly or indirectly designated by the person representing the KINEX BEARINGS any kind of material or other performance of property nature or of any other nature (other than Purchase price),

- b) exercising of maximum professional care he is unaware of the fact that any of his employees, members of the statutory body, another subject acting in the name of the Distributor or any person representing or acting directly or indirectly in favor of the Distributor (hereinafter referred to as a "**person representing the Distributor**") was asked or promised or provided directly or indirectly any kind of material or other performance of property nature or of any other nature to a person representing the Buyer or other person directly or indirectly designated by the person representing the Buyer,
- c) is fully aware of the fact that who promises, offers or gives a bribe to another to act or refrain from acting in such a way that violates his obligation under the employment, occupation, position or function, or who directly or through an intermediary promises, offers or gives a bribe to another person from this reason, fits the crime of bribery under § 332 of the Criminal Code,
- d) is not aware of any violation of ethical principles during the execution of the tender for the supply of goods and services which are a subject of the Contract,
- e) in the event he knew or had any suspicion of violations of ethical rules specified in this section of the General terms, he would announce this fact without undue delay to the KINEX BEARINGS and to the members of his statutory bodies, respectively to their immediate superior subjects,
- f) it is known to him that if a person representing the Distributor would promise or provide, either directly or indirectly to the person representing the KINEX BEARINGS or other person directly or indirectly designated by the person representing the KINEX BEARINGS, any kind of material or other performance of property nature or of any other nature, the KINEX BEARINGS would never entered into a contractual relationship with the Distributor in accordance with his ethical rules.

13.1.2. The Distributor undertakes that:

- a) he shall not give directly or indirectly to any person representing the KINEX BEARINGS or any other person directly or indirectly designated by the person representing the KINEX BEARINGS any kind of material or other performance of property nature or of any other nature (other than Purchase price),
- b) in he finds out or will have a suspicion of any violation of the ethical rules, including those referred to in section 13.1.1. of this General terms, he shall notify the KINEX BEARINGS, and the members of his statutory bodies, respectively their immediate supervisor operator without any delay.

13.2. In the event Distributor breaches his obligation defined in section 13.1.1. or 13.1.2., the KINEX BEARINGS is entitled to ask for damage compensation caused to him by such



action.

14. REQUIREMENT FOR THE WRITTEN FORM

- 14.1. All legal acts amending or terminating the Contract require a written form for their validity.
- 14.2. Except for any change to the Contract, General terms and withdrawal from the Contract or the Partial contract, fax and e-mail shall be deemed to be a written document if it contains the signatures of the persons authorized to act as acting party and is addressed to the relevant contractor if it is not possible to deliver a written correspondence for time reasons. After obtaining the original documents, these are attached to the other documentation.

15. DELIVERY

- 15.1. Any communication between parties is considered to be a relevant act performed under the Contract if it is delivered personally or by a post. All methods of communication are equivalent. The provisions of this section do not apply if the Contract or these General terms prescribe a specific form of communication, in particular, but not only, in a written form.
- 15.2. The parties have agreed that all documents related to the Contract shall be delivered exclusively to the addresses of the parties listed under the heading of the Contract.
- 15.3. Contracting parties agreed that a document related to the Contract is deemed to have been delivered even if returned to the sending party as undeliverable. As a day of delivery in such case shall be deemed a day in which a document is returned as undeliverable.
- 15.4. The day of delivery of the document shall also be deemed to be the date on which the contracting party receiving the document shall refrain from taking over the document served.
- 15.5. In the event of delivery by an e-mail, the document is deemed to have been delivered not later than three days after it is dispatched by a contracting party.
- 15.6. Any change in the delivery address as well as the other contact details listed in the Contract heading is the party obliged to notify the other party without undue delay, together with a new contact details, in particular a new delivery address.
- 15.7. To eliminate possible ambiguities, the following can always be used for KINEX BEARINGS delivery:

KINEX BEARINGS, a.s.

1. mája 71/36

Bytča 014 83

phone no. _____; e-mail: _____

16. SALVATORY CLAUSE



- 16.1. Should any provision of the Contract and/or General terms be or become invalid, illegal or ineffective, contracting parties agrees to replace such provision without undue delay with a new one, the meaning of which will be as close as possible to the meaning and economic purpose of the replaced provision so that it could be assumed that the parties would have used it if they knew of the invalidity, illegality or ineffectiveness of the replaced provision. Invalidity, illegality or ineffectiveness of the provision of the Contract will not affect the other provisions of the Contract and / or the General terms, and the Contract and / or the General terms shall be interpreted as if they never contained an invalid, illegal or ineffective provision.

17. APPLICABLE LAW AND DETERMINATION OF JURISDICTION

- 17.1. The Contract and all related relationships shall be governed by the Act no. 513/1991 Coll. Commercial Code as amended and other relevant legal regulations of the Slovak Republic.
- 17.2. In the event of any dispute arising from the Contract, parties undertake to do their utmost to resolve these disputes by an agreement.
- 17.3. In accordance with the article 25 section 1 of the Regulation (EU) No 1215/2012 of the European parliament and of the Council on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters (Brusel I bis) and Section 37e Subsec. 1 of the Act no. 97/1963 Coll. on international private and procedural law as amended, parties agreed that to resolve all disputes arising from a contractual relationship established by the Contract as well as claims for damages relating to a contractual relationship established by the Contract which will not be resolved in accordance with article 17.2., the exclusive jurisdiction of the Slovak court shall be given.

18. FINAL PROVISIONS

- 18.1. Relationships between contracting parties established by the Agreement shall be, unless expressly stipulated by the Contract, governed as follows (in the following order of priority):
 - 18.1.2. by General terms
 - 18.1.3. by relevant provisions of the Commercial Code and other applicable legal regulations of the Slovak Republic.
- 18.2. The structuring of the text of the General terms and/or the Contract around articles as well as the designation of the particular articles is intended to afford the reader greater convenience when going through the text of the General terms and/or the Contract, and hence no use can be made thereof in interpreting the General terms and/or the Contract and considering the separability of their parts.
- 18.3. Parties acknowledge that the conclusion of the Contract imposes no obligation on either of the parties to enter into any other contract and/or agreement with the other party except where the Contract implies otherwise.
- 18.4. Any amendments to the Contract and the General terms shall be made in writing and



after mutual agreement signed by both Parties; this shall be without any prejudice to the right of KINEX BEARINGS to unilaterally decide to alter the General terms. In the event of a change in the General terms by KINEX BEARINGS, the Distributor will receive a written copy of the altered General terms. In the event that the Distributor does not explicitly notify KINEX BEARINGS within 15 days of the date of delivery of the altered General terms with its disapproval with such altered General terms, it is deemed that it accepted the changes to the General terms and the new General terms shall be effective upon expiry of that period. If Distributor expressly disagrees with changes in the General terms, it is entitled to withdraw from the Contract within 15 days from the date of delivery of the new General terms.

- 18.5. The amendment to the Contract or the General terms shall not be deemed to be a modification which is directly or indirectly caused by a change in law or other generally binding legal regulation or by a decision of a public administration body or a body of the European Union unless its content or scope exceeds the framework established by the amendment of such legislation; or framework established by such a decision.
- 18.6. Should any of the provisions of the Contract become invalid as early as its being signed or later after the conclusion of the Contract, the validity of the remaining provisions of the Contract shall not be thereby affected. The invalid provisions of the Contract shall then be superseded by those provisions of the General terms which by their contents and purpose come as close as possible to the contents and purpose of the Contract, and if no such provisions are in existence, then by those provisions of the Commercial Code and other applicable legal regulations of the Slovak Republic which by their contents and purpose come as close as possible to the contents and purpose of the Contract.
- 18.7. General terms are in Slovak, English and German language versions. In the event of any unclear interpretation or discrepancy, the wording of these General terms, the interpretation of the General terms shall be in the language in which the Contract is drafted. In the event that the Contract is drawn up in Slovak and / or English and / or German at the same time, for the interpretation of the provisions of these General terms, the terms of the General terms shall be used exclusively in the Slovak language; English or German translation is in this case purely informative and is not binding on the interpretation of the provisions of these General terms.

As of: _____

Version: _____