

General Purchasing Conditions

I Recitals

1. These general purchasing conditions of PPS Group a.s., Tajovského 7, 962 12 Detva, company no. 36 011 509, incorporated in the Commercial Register held at the District Court Banská Bystrica, section Sa, insert 735/S, are intended for use as part of the contracts for all commercial transactions between PPS Group and its suppliers.

II Definitions

1. PPS Group means PPS Group a.s., Tajovského 7, 962 12 Detva, Slovak Republic, company no. 36 011 509, incorporated in the Commercial Register held at the District Court Banská Bystrica, section Sa, insert 735/S.

2. GPC means these general purchasing conditions.

3. PC means purchase contract according to § 409 et seq. of Act No 513/1991 Coll. the Commercial Code, as in effect, for the purchase or supply of goods where PPS Group is the buyer.

4. CfW means contract for work according to § 536 et seq. of Act No 513/1991 Coll. the Commercial Code, as in effect, where PPS Group is the client.

5. Contract means the relevant PC or CfW.

6. Framework agreement means the respective PC or CfW concluded for the purpose of negotiating the long-term trading terms and conditions, under which, apart from the essential provisions, the parties will primarily agree on supply quantity and duration of the framework agreement, and any provisions that deviate from the GPC or provisions that exceed the scope of the GPC.

7. Supplier means the other party to a contract, i.e. the seller or contractor according to the type of contract to which the GPC are applicable, who supplies goods or services or executes a work for PPS Group.

8. Parties means PPS Group collectively with the other party to a contract (supplier), i.e. seller or contractor.

9. Goods means all materials, supplies, articles, equipment, design, work or service provided in accordance with a contract, including installation, supervision, delivery, commissioning, testing, inspection, technical or other services, and maintenance.

10. Specimen is a specific type of good, namely a good the supplier has not yet manufactured or a good the supplier has manufactured but which has been subjected to modification and which now must be manufactured with the modifications according to new documentation (drawings, technological processes, etc.).

11. For the avoidance of doubts, the GPC are not applicable to contracts under which PPS Group is the seller or the contractor.

III Subject-Matter of the GPC

1. The GPC govern the rights and obligations of the parties to contracts:

a) under which the supplier undertakes to supply to PPS Group movables (goods) and to transfer title to those goods to PPS Group, and PPS Group undertakes to pay the purchase price;

b) under which the supplier undertakes to execute a certain work and PPS Group undertakes to pay the price for the execution thereof.

IV Purchase Order

1. The parties have agreed that PPS Group shall specify its requirements for the supply of goods or the execution of work in separate, binding purchase orders.

2. Purchase order of PPS Group is considered as an offer for a contract.

3. PPS Group dispatches purchase orders via email or fax. The purchase order is deemed to have been received upon receipt of the supplier's receipt of the purchase order by email or by fax.

4. Purchase orders contain the following information:

a) type of goods or the method by which the goods are worked, quality, grade;

b) special requirements, where the purchase order is for the supply of a specimen;

c) quantity;

d) price;

e) date of delivery;

f) place of delivery;

g) delivery terms according to INCOTERMS 2018.

5. Unless otherwise provided in the purchase order or contract, the parties have agreed that:

a) the place of delivery is the premises of PPS;

b) delivery terms are DDP to Areál PPS according to INCOTERMS 2020.

6. A contract is concluded once the supplier confirms the purchase order. The supplier shall dispatch confirmation of the purchase order by email or fax within 72 hours after it was received by the supplier. Where the supplier has not confirmed a purchase order in the above manner but nonetheless delivers the ordered goods, PPS Group has the right to refuse delivery of the goods; if the goods are accepted, a contract is deemed to have been concluded upon acceptance of the goods.

7. Upon confirmation of a purchase order by the supplier, the GPC become an inseparable part of the contract; other terms and conditions provided by the supplier in the supplier's forms or offers will only be used if PPS Group agrees in writing in advance to the use thereof.

8. Confirmation of a purchase order more than 72 hours after receipt of the purchase order or conditional acceptance of a purchase order is deemed a new offer for a contract and PPS Group has the right to accept or reject such an offer within 3 calendar days. The inaction of PPS Group shall in no way be construed as acceptance of the offer.

9. PPS Group has the right to cancel or change a purchase order at any time prior to receipt of a confirmation of the purchase order from the supplier or prior to the acceptance by PPS Group of the goods, or as may be agreed between the parties.

10. The supplier is not entitled to reimbursement of costs incurred in connection with the cancellation of a purchase order.

11. The supplier has the right to adjust the price of goods after a change is made by PPS Group to a purchase order only where the supplier promptly notifies PPS Group electronically or in another manner acceptable to PPS Group of such adjustment after receipt of the change made to the purchase order.

12. Unless otherwise agreed in writing, the price indicated in the purchase order is inclusive of all costs, including the cost of transport, packaging, etc.

V Delivery

1. The supplier shall deliver the goods to or execute the work for PPS Group according to the provisions agreed under the contract and in accordance with the GPC.

2. The supplier shall deliver the goods in accordance with DDP INCOTERMS 2020, in the quality, quantity, configuration, time periods, and packaging according to the contract and the requirements of PPS Group, to the premises of PPS Group or another place indicated in the contract by PPS Group.

3. PPS Group has no obligation to accept goods in excess of the quantity agreed under the contract or to pay for such excess goods.

4. The supplier shall present and submit to PPS Group, with each delivery of goods or execution of work at the place of performance, the following documents in particular:

- a) delivery note with precise specification of the quantity and type of supply and the purchase order number of PPS Group;
- b) documents enabling the proper acceptance and use of the goods or the work;
- c) certificates and certifications for the supplied goods or work;
- d) calibration certificates for the values prescribed in the drawing;
- e) for welded goods, weld quality reports according to prescribed standards;
- f) confirmed copy of PPS Group purchase order.

5. Where a specimen is to be supplied, apart from the documents referred to in subsection 4 of this clause of the GPC, the supplier shall also provide the following documents: a) calibration certificates for all the values prescribed in the drawing;

b) for welded goods, weld quality reports for all welds according to the prescribed standards on the drawing (or according to the technological processes of the client).

6. The supplier is responsible for ensuring the supplied goods or executed work meet all the standards and technical requirements applicable in the Slovak Republic, and upon request by PPS Group the supplier shall evidence the above by submitting certificates and certifications for the Slovak Republic. The supplier shall reimburse PPS Group for any damage incurred by PPS Group as a result of a breach of this obligation or as a

result of false information provided in respect of the obligation.

7. Any technical variations (including variations in processes, machinery and materials) require the prior written consent of PPS Group and shall be in compliance with the terms established by PPS Group.

8. The supplier shall package the goods or the work in the customary manner; in the event of uncertainty, packaging shall be in a manner that guarantees the preservation and protection of the goods or the work. The supplier is liable for damage that occurs as the result of improper packaging and labelling of the goods or the work.

9. Unless otherwise provided in the purchase order or in the contract, the parties have agreed that upon delivery, the obligation is deemed to have been fulfilled and the right arises to charge the agreed price.

10. Unless otherwise provided in the purchase order or in the contract, the parties have agreed that upon the approval of a specimen by PPS Group by confirmation of the quality thereof, the obligation is deemed to have been fulfilled and the right arises to charge the agreed price for the specimen.

11. PPS Group has the right to inspect materials, manufacturing processes and other fulfilment associated with performance of the contract throughout the entire time of manufacture until the ordered goods are removed from the warehouse. If the supplier does not permit such inspection without a valid reason, it is deemed a material breach of the contract constituting the right of PPS Group to withdraw from the contract and the supplier will not be entitled to claim any compensation for damage or seek reimbursement of incurred costs. The same applies in cases where an inspection identifies defects or variances from the terms of the contract; or demand prompt additional performance.

12. Unless otherwise agreed under the contract, the supplier has the right to supply the goods or execute the work in separate parts. PPS Group has the right, but not the obligation, to accept goods or work delivered prior to the deadline agreed under the contract. In such a case, PPS Group has the right to charge the supplier for damage incurred due to the early delivery of goods or early execution of work; the obligation of PPS Group to pay the agreed price arises no earlier than upon expiry of the delivery deadline agreed under the contract. Early delivery and acceptance of performance by PPS Group does not constitute an amendment to the contract.

13. The supplier has the right to engage a subcontractor for the performance of obligations arising out of the contract strictly with the prior written consent of PPS Group. Where the supplier engages a subcontractor, the supplier is liable for the supply of goods as though it had provided the performance itself. PPS Group reserves the right to refuse to approve a subcontractor proposed by the supplier.

14. If PPS Group fails to accept ordered goods or work without cause, PPS Group shall compensate the supplier for the price and all the costs incurred by the supplier in connection with fulfilling its obligations.

15. If payment by PPS Group of the price according to the contract is over 30 days past due, the supplier has

the right to suspend the supply of goods or execution of work; in such a case, the supplier is not deemed late with delivery of the goods or executing the work as far as PPS Group and the supplier have not agreed on a manner of securing settlement of the late payments.

16. If, even after receiving a written payment reminder, payment of the price by PPS Group is more than 15 days past due, the supplier has the right to unilaterally withdraw from the contract by giving written notice of withdrawal from the contract.

17. If it has been expressly agreed that the contract is a fixed contract, it is deemed that PPS Group has no interest in late delivery of goods or late execution of work. If the supplier delivers goods or executes work after the agreed deadline, PPS Group has the right to accept or reject such performance, at its own discretion, and unless otherwise agreed, the supplier shall pay a contractual penalty of 30% of the agreed price.

VI Title and Risk of Damage

1. Title passes to PPS Group upon the proper acceptance by PPS Group of (i) the goods or executed work showing no defects, and (ii) the documents necessary for acceptance of the goods or work according to the contract and the GPC corresponding to the nature and purpose thereof, in particular a delivery note and invoice containing such information as required by PPS Group, unless otherwise agreed under the contract.

2. Unless otherwise agreed under the contract, the goods are at the risk of the supplier until the goods are inspected by an authorised representative of PPS Group and the inspected goods are accepted, or until the final product of PPS Group containing the goods provided by the supplier passes final inspection before being dispatched to a PPS Group customer.

3. The supplier is liable for damage incurred by PPS Group due to the damage, loss or theft of the goods or work.

4. The supplier is liable as storekeeper for any articles it receives from PPS Group for the purpose of processing as part of execution of a work.

VII Quality, Defects, Returns

1. The supplier shall supply goods and works free of defective materials, composition and labour, which comply with all the required conditions, specifications, technical documentation, and other requirements, and free of legal defects.

2. The supplier shall supply goods and works and specimens that have all the required material, technical, technological, and legal attributes for the proper utilisation thereof for at least the duration of the warranty period referred to in the GPC. The supplier shall supply goods and works and specimens that are marketable, suitable and compliant with the agreed purpose or the customary purpose for that type of goods or work, and in the highest possible quality, and free of all defects that could affect copyrights, patents and other intellectual property rights.

3. The goods, work or specimen must comply with the specifications of PPS Group and the current binding EU

standards, all applicable technical standards, and laws of general application.

4. PPS Group and its authorised representatives and employees have the right to conduct a receiving inspection of the supplied goods or work and to assess the quality thereof (including all equipment and materials used in the manufacture thereof) immediately upon delivery to PPS Group. PPS Group also has the right at any time and place to survey and inspect all supplied goods or work and assess the quality thereof, including all equipment and materials used in the manufacture thereof.

5. Where acceptance of goods, work or a specimen is rejected for defects in the goods or work or any part thereof, the supplier shall, according to the instructions of PPS Group, check the goods or work at its own expense to the extent required by PPS Group and remedy the defects free of charge within 24 hours after being notified of the defect, or replace the goods or work with goods or work equivalent to the original within 24 hours after being notified of the defect.

6. The supplier shall remedy defective specimens within 30 days of receipt of the defective specimen report (Advice of Inspection). In the event of failure to comply with this time period, PPS Group has the right to withdraw from the contract and the supplier will not have the right to reimbursement of any costs whatsoever.

7. PPS Group has the right to repair faulty goods or work on its own or to engage a third party for such repair, and the right to set off the actual costs of the repair against the price of the defective goods or work delivered and invoiced by the supplier; alternatively, PPS Group has the right to separately bill such costs to the supplier. For this purpose, PPS Group shall apply the labour rate sheet that forms an inseparable part of the GPC as annex 1, and the supplier consents to this labour rate sheet. PPS Group shall notify the supplier in writing of the form of returns processing it has opted to apply.

8. PPS Group has the right to charge a flat-rate returns processing fee of EUR 40.

9. If PPS Group incurs damage due to the supply of defective or incorrect goods or work that are not in compliance with the terms of the contract, the supplier shall compensate PPS Group for such damage as well as all costs incurred by PPS Group as a result of the breach of the contract.

10. The supplier provides a warranty to PPS Group:

a) of 24 months from the date of acceptance by PPS Group of goods and work to which the provisions of points b) and c) below are not applicable;

b) of 5 years from the date of acceptance (delivery) on structures;

c) of 24 months from the day of delivery to the end customer or 2000 operating hours, not to exceed 48 months from the date of acceptance of the goods or service by PPS Group, on goods and services introduced into construction, road, mining machinery or other equipment that is supplied to the end customer.

11. The warranty period is extended for the period of time from receipt of the defective article by the supplier until the article is duly made right.

12. PPS Group shall lodge claims for defective goods or work promptly after the identification thereof by PPS

Group, as well as incorrect quantities, as a rule within 10 business days after receipt of the goods or work, and claims for defective quality and grade, as a rule within 10 business days after the identification thereof by PPS Group. For the avoidance of doubts, the period of 10 business days begins upon identification of the defect rather than at the time of delivery of the goods or execution of the work. PPS Group has the right to lodge claims for defects at any time during the warranty period.

13. The warranty does not apply to defects in goods or work caused by unskilled commissioning, except where commissioning was provided by the supplier, improper handling of the goods or work, unskilled maintenance or tampering. The above is not applicable where the supplier is in breach of its obligation to deliver to PPS Group written instructions for use or other user manual customary for that type of goods or work.

14. If the supplier delivers to PPS Group goods or work with defects, PPS Group shall mark these on delivery immediately when they are identified, on the delivery note, or at a later time if defects are identified at the final place of supply up to the time guaranteed by the supplier during the warranty period.

15. In the event of delivery of incomplete quantities, incorrect or faulty goods or work that do not meet all the requirements and parameters according to the contract, PPS Group has the right to refuse delivery of such goods or work.

16. If PPS Group fails to apply the procedure indicated in section 14 of this clause, the supplier shall deliver the missing quantity, supply substitute goods or provide a discount on the price of the goods or work within the time period agreed separately between PPS Group and the supplier. If no such agreement is made, the time period for supplying the missing quantity, substitute goods or work or providing a discount on the price is 3 business days after the claim was lodged. PPS Group determines the manner in which the claim will be handled and shall notify the supplier in writing thereof. In such case, the payment terms of the invoices relating to the goods or work at issue is extended by the time period from when the claim was lodged until the discount was provided or substitute goods delivered or other written manner agreed between the supplier and PPS Group.

17. The application of § 428(1) of the Commercial Code is excluded for the purposes of the contract.

18. PPS Group has the right to partial acceptance of goods or work in cases where it is feasible considering the nature of the goods or work, and PPS Group shall notify the supplier in writing thereof. In such case, the supplier has the right to issue an invoice to PPS Group only after delivery of the entire quantity of goods or work according to the purchase order.

19. If a dispute arises between the parties as to whether or not the supplied goods or executed work are

defective, the parties agree they shall seek to resolve the dispute within 60 days after the supplier receives notice of the defect. During this time period, PPS Group shall store the goods or work at issue at its own expense. After the said time period, PPS Group has the right to store, scrap or return such goods or work to the supplier at the supplier's expense.

20. The supplier is not liable for defects in work caused by the use of articles provided by PPS Group where the supplier, even with the exercise of professional care, could not have identified the inappropriateness of such articles or where the supplier notified PPS Group in writing thereof and PPS Group insisted on the use of such articles. The supplier is not liable for defects caused by following inappropriate instructions given by PPS Group where the supplier notified PPS Group in writing of such inappropriateness and PPS Group insisted on compliance or where the supplier could not have identified the inappropriateness.

21. The liability of the supplier for damage caused by defective goods is not subject to any time limits or restrictions on the amount of compensation for damage pursuant to Act No 294/1999, as in effect.

VIII Payment Terms

1. PPS Group shall pay the supplier in accordance with the terms and conditions set out in the contract.

2. The price of goods or work is agreed in accordance with Act No 18/1996 on pricing, as in effect. The price agreed under the contract is exclusive of VAT and is given individually for each item. VAT will be added to the purchase price in accordance with applicable law. Unless otherwise agreed in writing between PPS Group and the supplier, the price of the goods or work includes all costs.

3. Payment shall be made by cashless transfer to the account of the supplier indicated in the contract. The obligation of PPS Group to pay the price of the goods or work is deemed to have been satisfied at the time the funds are debited from the account of PPS Group in favour of the supplier's account.

4. Unless otherwise agreed, payment terms are net 90 days from receipt of the tax document (invoice) in electronic format by PPS Group. The supplier undertakes to issue and deliver invoice to PPS Group electronically by email to invoices@ppsgroup.sk in .pdf format with recommended resolution of 300dpi.

5. The supplier will provide a discount to PPS Group on the purchase price of 2% for payment received by the supplier at least 30 days prior to the payment due date (2% 60) and a discount of 3% on the purchase price for payment received by the supplier at least 60 days prior to the payment due date (3% 30).

6. Unless otherwise agreed under the contract, the supplier has the right to issue a tax document (invoice) on the day of delivery of the goods or work to PPS Group.

7. Where delivery concerns a bespoke product, the supplier has the right to issue an invoice only after the quality department at PPS Group confirms that the specimen satisfies all the parameters according to the contract and the technical documentation.

8. If the supplier issues a regular invoice for a specific time period, the supplier has the right to issue such invoice only after PPS Group has approved of the quantity of the respective goods or work, but no later than 15 days after the proper delivery thereof.

9. If the tax document (invoice) does not meet the requirements according to specific regulations (particularly the Act no. 222/2004 Coll. on value added tax, as amended), PPS Group shall return the invoice to the supplier for correction, indicating the reason for returning the invoice. In such a case, new payment terms begin to run after receipt of the corrected invoice.

10. The parties have expressly agreed that PPS Group has the right, by agreement, to set off any amounts it owes to the supplier that are due and/or not yet due and/or time-barred against amounts owed by the supplier to PPS Group that are due and/or not yet due, regardless of whether they were incurred according to a contract, other legal transaction or other legal undertaking.

11. The supplier does not have the right, without the prior written consent of PPS Group, to assign to a third party any of its rights (including receivables) and/or obligations arising out of the contract.

IX Waste Management

1. In the event any waste is created in connection with the delivery of goods to or the execution of work on PPS premises, the supplier shall weigh the waste on PPS Group scales, properly handle the waste in accordance with Act No 79/2015 on waste, as in effect, and evidence the proper disposal of the waste in the designated quantity as weighed on PPS Group scales by a confirmation issued by a person authorised to collect and treat the waste.

2. PPS Group has the right to withhold payment of an invoice until such time as it receives proof of satisfaction of the obligation referred to in preceding section.

3. The supplier shall not dispose of any waste on PPS premises, even in receptacles intended for waste.

X Contractual Penalties

1. If PPS Group fails to pay the price pursuant to the contract, it shall pay late payment interest to the supplier in the amount provided for by the relevant regulations.

2. If the supplier fails to deliver goods to or execute work for PPS Group by the deadline referred to in the contract, the supplier shall pay a contractual penalty to PPS Group in the amount of 0.5% of the price of the undelivered goods or work for each, even partial day of delay.

3. If the supplier fails to correct defects claimed in the warranty period according to the contract, the supplier shall pay a contractual penalty to PPS Group in the amount of 0.05% of the price of the claimed goods or work for each day of delay.

4. If the supplier fails to deliver goods or execute work for PPS Group, or fails to remedy defects, within 7 days after receipt of a reminder from PPS Group to fulfil its obligation, PPS Group has the right to secure fulfilment

of the supplier's obligation from a third party at the expense of the supplier.

5. If the supplier disposes of waste on PPC premises that should be handled in accordance with clause VIII of the GPC, even if the waste is disposed of in the intended receptacles, the supplier shall pay a penalty to PPS Group in the amount of EUR 5000.

6. If the supplier fails to weigh the waste created in connection with delivery of goods or execution of work on PPS premises according to clause VIII of the GPC, the supplier shall pay a penalty to PPS Group in the amount of EUR 1000.

7. In the event the supplier is in breach of its obligation set out in clause IX of the GPC, the supplier shall, on the notice of PPS Group, pay a contractual penalty to PPS Group in the amount of EUR 25,000 for each individual breach, without prejudice to the obligation of the supplier to compensate PPS Group for all damage.

8. The application and/or payment of the contractual penalty does not release the supplier of its obligations arising out of the contract. The application and/or payment of a contractual penalty is without prejudice to the right to compensation for damage in the full amount; contractual penalties are not calculated into compensation for damage.

XI Confidentiality

1. The parties have agreed that for the purposes of the contract, "confidential information" includes, without limitation, drawings, technical documentation, any and all information disclosed by PPS Group to the supplier for the purposes of fulfilling the obligations arising out of the contract, particularly technical, trade and organisational information, regardless of whether the information was disclosed before or after the contract was concluded, except as follows:

- a) information that became public knowledge and accessible in a manner other than a breach of contract;
- b) information demonstrably in the possession of the supplier before it was disclosed by PPS Group, where the burden of proof is on the supplier;
- c) information expressly marked as not confidential at the time it was provided by PPS Group;
- d) information that must be disclosed by law at the order of a court or request of public authorities; If the supplier has an obligation to disclose such information, the supplier shall notify PPS Group and both parties shall agree on the method of such disclosure.

2. The supplier shall, during the term of the contract and for a period of five years after its expiration or termination:

- a) store and protect as confidential and secret any and all confidential information provided by PPS Group;
- b) use the confidential information strictly for the purposes of fulfilling the supplier's obligations and in accordance with the contract (the supplier does not have the right to use the confidential information for any other purpose);
- c) refrain from disclosing any confidential information provided by PPS Group to any third party (except in the cases referred to in the GPC);

d) duly and safely retain and store all confidential information provided by PPS Group;

e) refrain from making copies of confidential information without the prior written consent of PPS Group.

3. The supplier has the right to disclose the confidential strictly to its employees or to authorised persons directly involved who must be privy to the confidential information for the purposes of fulfilling the supplier's obligations arising out of the contract. The supplier shall ensure and is liable to the fullest extent that its employees and all other authorised persons are familiar with this provision, and the supplier shall bind such persons to comply with the provision.

4. After termination or expiration of the contract, or on the written request of PPS Group, the supplier shall return all confidential information and any copies thereof or, at the discretion of PPS Group, shall destroy all confidential information and provide written certification of the destruction of such information.

5. The supplier shall respect all intellectual and/or industrial property rights attached to any confidential information that is disclosed.

6. Expiration of the contract does not affect the obligation of the supplier to abide by the obligations set out in this provision.

XII Notices

1. All notices given by the parties, including without limitation purchase orders and order confirmations, shall be dispatched by registered post, fax, in person and/or by electronic mail. Notices are deemed to have been delivered to the other party:

a) where a notice sent registered post is undeliverable for any reason whatsoever, at noon (12:00 p.m.) on the third day after the notice was dispatched by the sender;

b) where the notice is given by fax, at the moment the fax is sent and confirmed by a successful send report printed from the fax machine;

c) where the notice is given in person, upon written confirmation of receipt of the notice, including the date of receipt, or at the moment delivery of the notice is refused.

2. These provisions concerning notices, including fiction of service, apply to all cases of notices given by the parties to one another unless otherwise provided in the contract. The parties have the right to add telephone notice to the methods of notice.

XIII Common and Final Provisions

1. These GPC are valid and effective from 1 October 2020.

2. The GPC remain in effect indefinitely.

In Detva, on 9th, SEPT 2020



JUDr. Daniel Futej

Chairman of the Board of Directors of PPS Group a.s.

3. The GPC and all contractual relationships between PPS Group and the supplier are governed by Slovak law. The contractual relations not expressly provided for in the GPC are governed by the relevant legislation, in particular Act No 513/1991 the Commercial Code, as in effect.

4. The parties have agreed to hold in strict confidence all information and facts of which they learn during the fulfilment of their obligations arising out of the GPC and the contract.

5. Each party shall take measures to avert or mitigate damage, taking account of the circumstances and established practices in the engineering sector.

6. The contract expires at the end of the agreed contract term, by agreement between the parties, by withdrawal, or by written notice of termination.

7. PPS Group has the right to withdraw from the contract in accordance with the GPC if the supplier repeatedly breaches its obligation to duly and timely supply goods or execute work according to accepted purchase orders and/or if the supplier is in breach of clause IX of the GPC.

8. The supplier has the right to withdraw from the contract if PPS Group repeatedly breaches its obligation to pay the purchase price.

9. Upon withdrawal from the contract, all rights and obligations of the parties arising from the contract expire as well. Withdrawal from the contract is without prejudice to claims of compensation for damage incurred due to a breach of contractual obligations and the right to contractual penalties and/or other fines arising during the term of the contract.

10. Any party has the right to terminate the, even without indicating cause, by giving written notice with a notice period of one calendar month beginning on the first day of the month after the notice of termination was received by the other party.

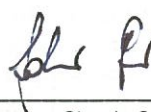
11. The parties agree to seek a resolution of any disputes or disagreements or discrepancies arising out of the GPC through discussions.

12. All disputes that arose or may arise between the parties out of or in connection with the contract, including disputes over its existence, validity, interpretation or termination (collectively and individually as "disputes") will be resolved by the court of competent jurisdiction in the Slovak Republic.

13. Annex 1, the labour rate sheet, forms an inseparable part of the GPC.

14. Annex 2, Code of Ethics for suppliers, forms an inseparable part of the GPC.

15. The parties represent they have read and understand the GPC and agree to be bound by the GPC.



Giorgio Salomoni

Member of the Board of Directors of PPS Group a.s.