

GENERAL PURCHASE CONDITIONS OF PANASONIC INDUSTRIAL DEVICES SLOVAKIA, s.r.o.**I. Scope of Application**

- Our purchase conditions shall apply exclusively in respect of all orders placed by us and contracts made by us. Amendments as well as any sales conditions stipulated by our suppliers which are in contradiction to the present conditions shall only be valid to the extent in which they have been expressly acknowledged by us in writing. Our purchase conditions shall apply even if we accept without reservation the supply of goods or the provision of services or if we pay for such deliveries in the knowledge of contradictory or amending conditions of business on the part of the supplier.
- Oral side agreements do not exist. Any amendment of our orders or contracts shall only be valid with our prior written consent.
- Our purchase conditions shall only apply to entrepreneurs within the meaning of Section 261 art. 1 of the Slovak Business Code.
- Our purchase conditions shall also apply to future transactions with the supplier.

II. Orders, Confirmation of orders, Cancellation of orders

- The supplier undertakes to accept our order through sending written confirmation duly signed within the reasonable term fixed by us.
- In the event of application or issuance of insolvency proceedings on the estate of supplier, the orders and/or contract can be cancelled by us at any time.

III. Delivery period

- The dates given in our orders and release orders shall be binding and shall be strictly adhered to.
- The supplier shall immediately notify our ordering purchasing department in writing of any impending delay or exceeding of the agreed dates and periods.
- In the event of a delay in supply, the provisions of the law shall apply (Slovak business Code). In particular we shall be entitled to claim damages in lieu of performance after unsuccessful expiration of a reasonable time limit, unless the supplier proves that it is not responsible for the breach of duty.

IV. Notification of dispatch

Following our request, the supplier shall transmit a forwarding advice indicating the order number given in our order, the exact identification of the goods and the quantity dispatched as well as other details of dispatch (e.g. carrier, means of transportation and consignment number) on the date of forwarding.

V. Acceptance of delivery

- The relevant number of items, weights and measures are based upon our incoming goods inspection.
- Strikes, interruptions of operations as well as force majeure events release us from the obligation of acceptance to the extent to which they cause a reduction of our requirements.

VI. Prices and Conditions of payment

- The prices given in the order shall be binding. The prices shall include all costs of packaging and supply DDP (in accordance to Incoterms 2010) to the place of destination as designated by us, unless expressly agreed otherwise in writing. The return of reusable packaging requires a separate agreement.
- The prices do not include value added tax.
- The details given in our orders and release orders shall be binding. Invoices shall be sent to the respective imprinted address and at the day of despatch of goods their copies must be delivered to us (via fax or e-mail). The original of invoice shall be delivered to us by post or with the delivery. We can only process invoices if they indicate the order number given in our order, and if they observe legal stipulations, in particular statement of the value added tax; the supplier shall be liable for all consequences of its failure to comply with this condition, unless it proves that it is not responsible for the breach of duty.
- Unless otherwise agreed in writing, payment shall be made within 15th day of the second month following the month of delivery. In case there were agreed a sooner payment, we ask obviously a deduction of a 3 % discount.
- We reserve the right to postpone the payment of purchase price as long as the supplier has not proved the full payment for the items delivered by us.
- We shall be entitled to rights of set-off and lien to the extent permitted by law. In particular we reserve the right to postpone the payment of the purchase price or a reasonable part of it until the supplier satisfies completely our claims.

VII. Delivery terms and conditions

- Unless otherwise agreed in writing, supply shall be made DDP (in accordance to Incoterms 2010), to the place of destination designated by us.
- The supplier shall clearly indicate on all shipping documents and delivery notes the order number given in our order; if it fails to keep this provision, it is responsible for delays of processing.

VIII. Inspection of delivery - liability of supplier for defects

- We shall carry out merely an incoming goods inspection in respect of outwardly visible defects and outwardly visible deviations in identity and quantity. The notification of such defects shall be made immediately by letter, fax, e-mail, or telephone. We reserve the right to carry out a more extensive incoming goods inspection. For the rest the notification of defects shall be made as soon as these defects will be ascertained according to the circumstances of a proper course of business. Insofar the supplier waives objection of late notification. In case of a quality assurance agreement between the supplier and us, the provisions of this agreement shall apply with respect to inspection of delivery and notification to supplier.
- If necessary because of bad delivery, the costs of a more thorough check than usual on receipt shall be borne by the supplier.
- The provisions of the law shall apply; in either case we shall be entitled to claim remedy of defects or replacement, at our option. We reserve explicitly the right to claim damages, especially damages in lieu of performance.
- In urgent cases and in particular in case of imminent danger we shall be entitled to rectify any established defects ourselves at the supplier's expense.
- The warranty period is 36 months from the day of accepted take-over.

IX. Workings at our premises

Persons who work at our premises within the scope of performance of the contract shall adhere to our regulation providing for safety and protection of health at work and fire prevention regulation; the regulations relating movement of the persons in our premises shall be observed.

X. Product liability - release from liability - product liability insurance

- If the supplier is responsible for a product loss, the supplier shall indemnify us from any compensation claims by third parties resulting there from at our first request, if the cause of the product loss lies within the supplier's control and organisational area and the supplier is itself liable to third parties.
- In the context of art. 1 the supplier shall also refund to us all expenditure, under Sections 373 et sec. of the Slovak Business Code which we incur because of or in connection with a recall campaign carried out by us. If possible and reasonable, we will inform the supplier about the subject matter and extent of the recall campaign to be undertaken and provide it the opportunity for response. Other statutory claims shall persist.
- During the term of the contract, i.e. until the respective limitation of claim caused by defective supply, the supplier shall maintain product liability insurance with overall cover of € 5 mill. for each event involving personal injury or damage to property; our claims shall however not be limited to the amount of the cover.

XI. Industrial rights

- The supplier shall warrant that its supply and the use which is made of it will not infringe any industrial rights or other rights of third parties in Slovak republic and abroad.
- At our first request, the supplier shall hold us harmless against all claims made against us or/and our customers by third parties because of or in connection with the supply or the use made of it; we shall not be entitled to make an agreement with the third party, in particular to place a settlement, without the consent of the supplier.
- The supplier's obligation to hold us harmless shall also extend to all expenditure necessarily incurred by us or/and our customers because of or in connection with the making of a claim by a third party.
- The period of limitation for these claims is 10 years from the conclusion of respective contract.

XII. Retention of title, Provision of material and Tools

- Any parts or substances made available to the supplier shall remain our property. They shall be used only for the agreed purpose and according to the terms of the contract. Processing or remodelling by the supplier shall be on our behalf. In the event of processing with other items which are not of our property, we are entitled to co-ownership of the newly manufactured item in the ratio of the value of our parts or substances (purchase price plus value added tax) to the value of items belonging to other parties at the time of processing.
- In the case of non-detachable connection with other items which are not of our property, we are entitled to co-ownership of the newly manufactured item in the ratio of the value of the respective material provision (purchase price plus value added tax) to the value of items belonging to other parties at the time of connection. If the connection takes place in such a manner that the item not belonging to us has to be considered to be the principal item, it is agreed that the supplier assigns to us the proportionate joint title; the supplier keeps the item which is of our sole or co-property for us.
- The supplier is liable for the loss of or damage to items owned by us. We must be informed immediately of any damage to our items.
- Any tools made available to the supplier shall remain our property. The supplier shall use them exclusively for the manufacture of our products and shall thereafter return them at its own expense to us after being requested. The supplier undertakes to insure the tools belonging to us at their new value, at its own expense, against fire, water and theft damage. At the same time, the supplier assigns to us already at this juncture the indemnification claim under this policy and we accept this assignment. The supplier shall ensure proper maintenance and repair of the tools provided at its own costs. The supplier shall immediately notify us of any failure; if it does culpably not keep these provisions, we reserve the right to claim damages.

XIII. Confidentiality

We reserve the rights of ownership and copyrights in any samples, designs, drawings, calculations and other documents and any information delivered to the supplier. Products which are manufactured according to samples, designs, drawings, calculations and other documents drawn up by us or according to our confidential information or with our tools or reverse engineered tools shall not be used by the supplier or be offered or delivered by supplier to third parties and must be kept secret to third parties. The same shall apply analogously to any our technical, proprietary or business information furnished to the supplier relating to our business affairs, regardless of whether such information is in written, oral, electronic or other form. It should be used exclusively for the execution of the supply on order received and shall thereafter be returned at supplier's expense to us without being requested. Such items may not be made accessible to third parties without our express written consent. The obligation to confidentiality is also effective after termination of contract; it will cease if and to the extent to which the information becomes public knowledge (with no fault of Supplier). Supplier's breaching of abovementioned obligation will be considered to be breaching of the trade secret and will result in applying of article 17 et sec. of Slovak Business Code.

XIV. Respect of human rights

Supplier warrants respecting the basic human rights, tolerating no discrimination, and striving to create a safe, pleasant workplace, to not employ person against their will or use child labour.

XV. Anti-bribery rules

Supplier warrants the observation of and will procure that its employees comply with national, EU, or other relevant anti-bribery laws. For this purpose supplier will keep proper accounting records of payments and financial transactions. Supplier shall hold us harmless from any liability or penalty that may be imposed by reason of any alleged breach of anti-bribery laws.

XVI. Export Control

Supplier warrants to observe the national, European or international rules on export control and will inform us when the goods shall be classified as "controlled item" in accordance to export control lists such as but not limited to Commerce Control List (CCL) of U.S. Export Administration Regulations (EAR) and EC REG No. 1334/2000 of the European Union. If any license is required under the Export Control regulations in order to deliver goods to us, supplier shall obtain such license with our assistance support.

XVII. Environmental protection

Supplier warrants that the products delivered to us are in full compliance with laws, regulations such as any EU or national law relating to the registration, evaluation and authorisation of chemicals (REACH) and the Restriction of the use of certain Hazardous Substances (RoHS) and other guidelines or our demands concerning environmental protection. In the event that the products incorporate hazardous material, supplier shall promptly notify us and provide us with a list of the amount of the hazardous material, prior to and together with the shipment of the products. Simultaneously, supplier shall furnish all special handling instructions, safety measures that must be necessary to prevent bodily injury or damage to property and us with written warning.

XVIII. Compliance with laws

Supplier warrants that performance of its business activities shall not breach any applicable laws (statutes, regulations, ordinances, administrative guidance etc.) including but not limited to obligations stated herein, intellectual property rights, technical and conformity requirements, safety and protection of health at work and competition law. Supplier shall hold us harmless from any liability or penalty that may be imposed by reason of any alleged breach of law.

XIX. Stocks of spare parts - proclamation of products

- Unless otherwise agreed in writing, the supplier shall notify us about any projected technical modification referring to supply of approved goods at an early stage, as far as possible at least 6 months before adoption of the modification.
- In order to ensure our production of spare parts, the supplier shall be able to deliver the necessary goods for that purpose for 2 years after the end of series production of our products to which the respective goods are attached. If the supplier makes out, within that period of time, that it will be unable to comply with this condition, it shall immediately notify us about ending of supply, and in case of no other reasonable possibilities, it shall provide us the opportunity to meet our requirement for all the time.

XX. Arbitration - Governing law

- Any and all disputes, controversies, differences or claims that may arise in the case of transactions made with merchants shall be settled by mutual agreement. However if no such solution can be reached, case shall be referred to and settled finally and conclusively by the court of Slovak republic.
- The Slovak Business Code and the law of the Slovak Republic shall apply, excluding the UN convention on Contracts for the International Sale of Goods.