

# GENERAL TERMS AND CONDITIONS

of MicroStep, spol. s r. o. (hereinafter referred to as "GTC")

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## I. Scope of the GTC

- 1.1 The present commercial General Terms and Conditions have been issued by the limited liability company **MicroStep, spol. s r.o.** with registered offices at Vajnorská 158, 831 04 Bratislava, company registration number IČO: 00 603 015, tax registration number DIČ: 2020418994, VAT registration number IČ DPH: SK2020418994, entered in the Commercial Register maintained by the City Court of Bratislava III, Section Sro, File No. 322/B, bank account number: IBAN: SK90 0900 0000 0006 3444 0366, BIC/SWIFT: GIBASKBX, E-mail: mail@microstep.sk (hereinafter referred to as "**MicroStep**") with the purpose to govern any and all legal relations entered into by MicroStep and a legal entity or a natural person – entrepreneur who is a client receiving goods or services provided by MicroStep (hereinafter referred to as the "**Buyer**"), (the Buyer and MicroStep shall jointly be referred to as the "**Parties**").
- 1.2 MicroStep provides mainly the following goods and services:
- a) machines used mainly for welding, for splitting of materials by means of plasma, flame, water jet, laser cutting, mechanic machining and components of such machines (hereinafter referred to as "**equipment**") and based on the nature of the product, equipment shall also mean machine components; equipment and other consumables, mainly installation material, spares, etc. for the purpose of the present GTC shall be jointly referred to as the "**goods**"),
  - b) an equipment program or an equipment-related program (hereinafter referred to as "**software**"),
  - c) equipment installation,
  - d) and service
- (the particular goods and services stated in the contract or the GTC shall hereinafter be also referred to as the "**subject matter of the contract**").
- 1.3 The present GTC shall be valid and effective in relation to any contract entered into by and between MicroStep and the Buyer, whereas by signing the contract the Buyer confirms to have read and understood the GTC, or that the GTC are enclosed to the contract pursuant to Art. 273 of Act No. 513/1991 Coll., Commercial Code, as amended (hereinafter the "**Commercial Code**"). If the Parties want to agree differently from these GTC, they must do so in a written contract, while the text of these GTC remains in its original form in all circumstances. Any intervention or change in the text of these GTC is invalid and the version of GTC currently published on the website of MicroStep spol. s r.o. [www.microstep.eu](http://www.microstep.eu) and [www.microstep.sk](http://www.microstep.sk) is in force.
- 1.4 The purpose of the GTC is to govern legal relations between MicroStep and the Buyer to ensure that:
- a) MicroStep shall manufacture subject matter of the contract for the Buyer pursuant to the Buyer's requirements;
  - b) the Buyer shall provide MicroStep with cooperation in the form of information, advance payments and take actions necessary to prepare construction and technical aspects of the destination;
  - c) MicroStep or the carrier shall handover the subject matter of the contract to the destination;
  - d) the subject matter of the contract shall be provided by MicroStep to the Buyer upon delivery, or installation completion;
  - e) the Buyer shall receive the subject matter of the contract in due and timely manner and pay to MicroStep the price for the subject matter of the contract and other services indicated in the contract or the GTC;
  - f) MicroStep shall provide the Buyer with a quality warranty concerning the subject matter of the contract pursuant to the contractual conditions.

## II. Binding Commercial Contracts

- 2.1 MicroStep and the Buyer shall be obliged to define the following in their pre-contractual negotiations:
- a) the subject matter of the contract, i.e. the type of goods and/or services to be provided under par. 1.2 of the GTC;
  - b) exact technical and performance parameters of the goods and/or services;
  - c) exact final destination for placement or installation of the goods (hereinafter referred to as the "**destination**");
  - d) exact technical specification of the destination;
  - e) the type and parameters of inputs and media necessary for correct operation of the goods in the expected extent;
  - f) price offer for the goods/services, payment maturity of the price for the goods/services, advance payment amount, amount and maturity of the single installments of the price for the goods/services, security of the payment of the price for the goods/services;

- g) term of handover and delivery of the goods to the Buyer, or the method of determining the term of handover and delivery;
  - h) conditions of the Buyer's necessary cooperation;
  - i) which contractual Party will be procuring and paying the carriage, insurance of the goods and any additional cost;
  - j) carriage terms and conditions including insurance of the goods, MicroStep's operation that is the point of dispatch of the goods, the expected date of carriage and packaging of the goods.
- 2.2 Based on the outcome of the pre-contractual negotiations MicroStep shall send to the Buyer a **draft contract** including mainly the facts under par. 2.1 hereof.
- 2.3 The Buyer shall be obliged to send back to MicroStep two (2) counterparts of the draft contract (order) that consists in the template contract (par. 2.2 hereof) duly signed by the Buyer's authorized representatives with their signatures (authenticated by notary public if necessary).
- 2.4 The contract entered into by and between MicroStep and the Buyer (hereinafter referred to as the "**contract**") shall become effective when the order is accepted and signed by MicroStep. MicroStep shall send one (1) counterpart of the signed contract back to the Buyer.
- 2.5 The contract shall replace any and all previous arrangements by and between MicroStep and the Buyer in an extent governed by the contract.
- 2.6 Unless explicitly stated otherwise in the GTC, the contract may be amended only in the form of written amendments.
- 2.7 GTC provision shall not apply if the contract stipulated between the Parties shall be governed by a set of regulations other than the respective GTC provision.

### **III. Price for the Goods, Payment Terms, Security**

- 3.1 The proposed price of the subject matter of the contract is determined by MicroStep at its own discretion. The price of the subject matter of the contract specified in the concluded contract is binding for both Parties. Unless explicitly agreed otherwise in the contract, the price shall not include the cost of carriage or special packaging of the goods or any other additional cost. The price shall be agreed in Euros as the currency. MicroStep usually regularly prepares and updates price lists of its goods and services. Unless agreed otherwise, MicroStep is entitled to unilaterally change and adjust any price lists of its goods and services.
- 3.2 MicroStep is authorized to change the price if during the implementation of the contract there is a change in the technical or technological solution compared to the original solution or in case of an amendment of the generally binding legal provisions having an effect on the price. MicroStep shall be obliged to inform the Buyer of such a change or a potential change without undue delay. Should the price increase by more than 10% of the original price, the Buyer shall be entitled to withdraw from the contract. If the Buyer does not withdraw from the contract within seven (7) calendar days after the announcement of the increase of the original price, its right to withdraw from the contract expires. In case of any change of the subject matter of the contract required by the Buyer and approved by MicroStep, MicroStep is entitled to increase the price of the subject matter of the contract in accordance with its current price list and the Buyer is not entitled to the right of withdrawal from the contract.
- 3.3 Unless explicitly agreed otherwise, maturity of the Buyer's pecuniary obligations shall be fifteen (15) calendar days starting on the date of the event that gives rise to the Buyer's obligation to meet a pecuniary obligation.
- 3.4 MicroStep shall be entitled to partial settlements and partial instalments. If only a part of the subject matter of the contract has been implemented that shall enable the Buyer to use the basic features of the subject matter of the contract, the Buyer shall be obliged to pay the price for the shipped part of the subject matter of the contract.
- 3.5 The Buyer's payment shall be settled on the date of crediting the amount to MicroStep's bank account indicated in the contract. If there is no bank account indicated in the contract, the Buyer shall be obliged to use MicroStep's bank account indicated in par. 1.1 of the GTC.
- 3.6 The Buyer shall not be authorized to set off any of its pecuniary claims against MicroStep's claims by a unilateral legal act, without prior written consent from MicroStep

- 3.7 Should the Buyer default on the payment, MicroStep shall be entitled to claim from the Buyer a late payment interest of 0.05% of the default amount for each day of delay.
- 3.8 In order to ensure due and timely meeting of the Buyer's obligation to pay the price of the subject matter of the contract and/or a part thereof, MicroStep shall usually ask the Buyer to establish a letter of credit, bank guarantee or another similarly effective legal instrument (hereinafter referred to as "**security**"). Security form and terms shall be defined in the contract.
- 3.9 Should the Buyer fail to meet the agreed security terms in a due and timely manner or should the security scope and quality decrease during the time period until the Buyer shall acquire property rights to the subject matter of the contract, MicroStep shall be authorized to:
- a) discontinue meeting all its contractual obligations and statutory duties without being in delay and without being liable for damages towards the Buyer; and at the same time
  - b) demand additional security from the Buyer;
  - c) withdraw from the contract.
- 3.10 When selling taxable goods/services to the Buyer, MicroStep shall be obliged to issue to the Buyer an invoice meeting all statutory requirements.
- 3.11 Any prices and calculations stated in the communication between the Parties or in the GTC are without VAT, unless explicitly stated otherwise. VAT shall be added always pursuant to applicable law at the time of invoice issuance.
- 3.12 The Buyer undertakes to notify MicroStep immediately and in writing of any changes of its tax registration (VAT number) and/or changes concerning its VAT status (VAT payer or non-payer).

#### **IV. Packaging, Transport, Transfer of Risk, Handover of the Goods**

- 4.1 MicroStep shall be obliged to provide:
- a) packaging and preparation of the goods for transport;
  - b) submitting of the goods to nominated carrier;
  - c) if specifically stated in the contract, installing the goods at the place of destination;
  - d) if specifically stated in the contract, provide training to the Buyer's staff.
- 4.2 MicroStep shall be obliged to ensure packaging of the goods that is customary and suitable for the agreed type of transport of the goods.
- 4.3 The packaging of the goods is non-returnable and the cost in relation to disposal or recycling of packaging, securing and protection during transport shall be borne by the Buyer.
- 4.4 Upon **goods purchase**, MicroStep shall be obliged to:
- a) where applicable, obtain any **export license** or other official authorization, pay all duties, taxes and other charges due **in export** and carry out all customs formalities necessary for the exportation of the goods;
  - b) unless the Buyer provides different instructions in timely manner, MicroStep shall enter into a contract of carriage regarding the goods at the risk and expense of the Buyer;
  - c) provide the Buyer with the information necessary for the Buyer to get insurance coverage for the goods. MicroStep shall not be obliged to insure the subject matter of the contract - unless agreed otherwise in the contract;
  - d) handover the goods to the Buyer, in case **MicroStep is obliged to procure carriage**;
  - e) submit the goods to the carrier nominated by the Buyer, in case **the Buyer is obliged to procure carriage**;
  - f) until the risk of loss or damage to the goods is transferred to the Buyer, bear all risks of loss or damage to the goods;
  - g) notify the Buyer of:
    - (i) handover of the goods to the Buyer;
    - (ii) receipt of the goods by the carrier on a set date and provide the Buyer with information and documents necessary to receive the goods from the carrier;
    - (iii) failure to receive the goods by the carrier on a set date;
  - h) at the Buyer's request, risk and expense render assistance in obtaining the documents to prove the rights to the shipped goods;

- i) pay the costs of any inspections (quality checks, checks of size, weight and number) that are necessary to deliver the goods pursuant to the contract as well as the costs of any pre-shipment inspection when such inspection is mandated by the authorities of the country of export;
- j) pack and label the goods at own discretion, unless agreed otherwise in the contract;
- k) at the Buyer's request, risk and expense render timely assistance in obtaining documents and information needed by the Buyer to import the goods or to ship the goods to the destination.

4.5 The Buyer shall be obliged to:

- a) confirm to MicroStep immediately in writing that a fulfilled obligation of MicroStep has been met (f.e. for customs, bank, or insurance company);
- b) in due and timely manner, not later than within seven (7) work days prior to the agreed date of handover of the goods to the destination provide MicroStep with all information and documents concerning the receipt of the goods by the carrier (including mainly the carrier's name, contact details, proposed exact date and time of the dispatch of the goods from MicroStep's place of operation, mode of transport, carrier's capacity) in case the Buyer is in charge of the carriage of the goods;
- c) procure the carriage of the goods in due and timely manner in case the Buyer is in charge of the carriage of the goods;
- d) in due and timely manner carry out all activities aimed at construction and technical preparedness of the place of destination;
- e) pay the purchase price for the subject matter of the contract or for a part thereof in due and timely manner;
- f) accept and receive the subject matter of the contract, or a part thereof in due and timely manner;
- g) unload the goods from MicroStep's vehicle or from the vehicle of the carrier in the destination at its own expense and risk;
- h) enable MicroStep to access the place of destination for the installation of the subject matter of the contract, in case MicroStep is obliged to such installation;
- i) provide MicroStep with due cooperation necessary to meet its obligations;
- j) make qualified staff with expertise available to attend the training, in case MicroStep is obliged to train the Buyer's staff;
- k) give a third party only the same extent of guarantees and rights as is provided by MicroStep to the Buyer, in case of transfer or sale of the subject matter of the contract to a third party.

4.6 Upon **goods purchase** the Buyer shall be obliged to:

- a) at its own expense and risk obtain any **import license** or other official authorizations and clear customs in relation to goods import and transit through any country;
- b) at its own expense enter into a contract of carriage of the goods from the agreed point of handover, unless MicroStep is obliged to procure carriage of the goods;
- c) accept and receive the goods, or a part thereof in due and timely manner;
- d) bear all risks of loss of or damage to the goods from the moment of the transfer of the risk of damage to the goods to the Buyer;
- e) pay all costs in relation to the goods from the time of the delivery to the Buyer, as well as the costs of carrying out customs formalities payable upon export of the goods, as well as all duties, taxes and other charges **due after export**;
- f) pay all duties, taxes and other charges as well as the costs of carrying out customs formalities payable upon **import of the goods** and for their transit through any country;
- g) pay the costs of any pre-shipment inspection except when such inspection is mandated by the authorities of the country of export;
- h) reimburse to MicroStep all costs and charges incurred in rendering assistance in obtaining the documents under par. 4.4 (k) of the GTC;
- i) reimburse to MicroStep all costs incurred due to the fact that the Buyer:
  - (i) failed to procure carriage of the goods in due and timely manner;
  - (ii) or the carrier nominated by the Buyer failed to receive the goods from MicroStep for shipment in due and timely manner;
  - (iii) failed to conduct acts in due and timely manner aimed at construction and technical preparedness of the place of destination;
  - (iv) violated its obligation under par. 4.5 (b) of the GTC.
- j) notify MicroStep in timely manner of all security requirements in order to meet obligations of MicroStep under these GTC;
- k) provide MicroStep at its request, risk and expense with timely assistance in obtaining documents and information concerning security necessary for MicroStep for shipment, export and transit of the goods through any country;
- l) if the property right to the goods has not passed to the Buyer on the date of transfer of the risk of loss or damage to the goods from MicroStep to the Buyer, the Buyer shall be obliged to get

- insurance coverage for the damage or stealing of the goods in minimum amount equaling to the price of the goods.
- 4.7 The Parties have agreed that should the Buyer **receive the goods** in due and timely manner, the risk of loss or damage to the goods shall be transferred to the Buyer:
- a) on the date when the Buyer received the goods in case **MicroStep was obliged to procure carriage of the goods;**
  - b) on the date when the carrier nominated by the Buyer received the goods from MicroStep in case **the Buyer was obliged to procure carriage of the goods.**
- 4.8 The Parties have agreed that should the Buyer **fail to receive the goods** in due and timely manner, the risk of loss or damage to the goods shall be transferred to the Buyer:
- a) on the date when the Buyer could, or should have received the goods in case **MicroStep was obliged to procure carriage of the goods;**
  - b) on the date when the carrier nominated by the Buyer received the goods from MicroStep in case **the Buyer was obliged to procure carriage of the goods.**
- 4.9 The Parties have agreed that the risk of loss or damage to the goods shall be transferred to the Buyer on the date indicated in the contract as the expected date of handover of the goods to the Buyer if:
- a) the Buyer fails to meet its obligation under par. 4.5 (b) of the GTC in due and timely manner;
  - b) the carrier nominated by the Buyer fails to receive the goods from MicroStep in due and timely manner.
- 4.10 If the mode of delivery under INCOTERMS 2010 was explicitly stated in the contract, the risk of loss or damage to the goods shall be transferred pursuant to the agreed mode of delivery under INCOTERMS 2010 and the provisions under par. 4.7 through 4.9 of the GTC shall not apply.
- 4.11 MicroStep's obligation to handover the goods to the Buyer shall be deemed met on the date when the risk of loss or damage to the goods shall have been transferred to the Buyer.
- 4.12 The time period to handover the subject matter of the contract to the Buyer shall be automatically extended by the time period, during which:
- a) the Buyer is in delay with meeting its obligations, including delay with any payment to MicroStep, or delays in the delivery of a written confirmation of the final technical specification of the goods, or the technical specification of the final destination;
  - b) existence of obstacles of force majeure nature;
  - c) duration of obstacles preventing contract implementation (e.g. due to destruction and/or damage of parts, components caused by the carrier and/or third party without fault on the part of MicroStep). MicroStep shall notify the Buyer of such facts without undue delay. MicroStep shall not be liable for incurred damages, including lost profit, due to its failure to meet the contractual time limit of delivery.
- 4.13 MicroStep has the right not to start manufacture, to extend unilaterally the time period for the delivery of the goods as appropriate by the time period, during which the Buyer is in delay with meeting its obligation towards MicroStep and this shall apply also to obligations under a different contract. MicroStep shall not be liable for incurred damages, including lost profit, due to failure to meet the contractual time limit of delivery.
- 4.14 If the Buyer failed to meet any of its obligations under par. 4.5 (d), (e), (f), (k) or par. 4.6 (c) of the present GTC or should the Buyer fail to meet any other obligations under the contract and/or the present GTC also during the additional granted time limit, MicroStep shall have the right to:
- a) a contractual penalty of 10% from the price of the subject matter of the contract for every single violation of any abovementioned obligation of the Buyer; and at the same time
  - b) to withdraw from the contract.
- 4.15 MicroStep shall be entitled to withdraw from the contract if, as a result of the Buyer's actions, manufacturing of the goods has been discontinued for over (6) weeks or if the Buyer failed to meet its obligation under par. 4.14 of the GTC. On top of the right to damage compensation, MicroStep shall be entitled to receive from the Buyer the price for part of the goods manufactured until the date of withdrawal from the contract.
- 4.16 MicroStep shall be entitled to handover the goods also by means of partial shipments as well as to handover the goods to the Buyer prior to the agreed date and the Buyer shall be obliged to accept the goods.

- 4.17 The Buyer shall be obliged to unload the goods in the destination.
- 4.18 Should for reasons on the Buyer's side MicroStep be unable to handover the goods to the Buyer or to submit the goods to the carrier nominated by the Buyer on the agreed date, MicroStep shall have the right to request from the Buyer the payment of:
- a) a contractual penalty of 0,1% from the price of the goods for each day of delay of the Buyer to meet its obligation up to 5,0% from the price of the goods; and at the same time
  - b) tariff costs incurred mainly for packing, transfer and storage of the goods in the sum of 1000,- Euros due to from the first day of Buyer's delay.

## V. Delivery of the Goods, Takeover Tests

- 5.1 In case MicroStep is according to the subject matter of the contract:
- a) obliged to install the goods directly at the destination, the delivery of the goods shall mean the day when one of the events referred to in par. 5.12 of the GTC occurs;
  - b) not obliged to install the goods directly at the destination, the delivery of the goods shall mean the day on which the risk of loss or damage to the goods is transferred to the Buyer.
- 5.2 Unless agreed otherwise, the Buyer shall be obliged to:
- a) provide MicroStep with the necessary cooperation to install the goods at the destination, including the installation tools according to MicroStep's requirements;
  - b) enable MicroStep staff (hereinafter "**installation technicians**") to access the destination;
  - c) at its own expense provide MicroStep staff with the necessary personal protection equipment (PPE);
  - d) pay to MicroStep accommodation cost of the installation technicians during the installation of the goods;
  - e) pay to MicroStep travel expenses and lost time compensation (per diem allowances) based on the actual incurred cost;
  - f) pay to MicroStep travel compensation of the installation technicians pursuant to applicable legal regulations governing travel compensation.
- 5.3 The Buyer shall be obliged at its own expense and prior to the arrival of the installation technicians to prepare the workplace for the installation of the goods pursuant to MicroStep's instructions laid down in the contract, in a separate project, or notified by MicroStep at least thirty (30) calendar days prior to the planned delivery of the goods. Unless agreed otherwise, the Buyer shall prepare, as per the required capacity of the project workplace, appropriate electrical, water, gas connections and Internet connection. The installation area shall be sufficiently hardened, planarity of the surface shall be pursuant to the project with appropriate ambient temperature and humidity of the workplace. The Buyer shall be obliged to notify MicroStep of workplace preparedness in writing not later than seven (7) calendar days prior to the start of installation. The Buyer shall be obliged at its own expense and according to MicroStep's instructions to procure transport and handling mechanisms such as a crane or a forklift for the installation of the goods.
- 5.4 The Buyer shall be obliged to provide the installation technicians with the necessary cooperation during the installation work.
- 5.5 Failure to prepare the workplace or to provide cooperation on the part Buyer's side shall constitute a reason for MicroStep to discontinue the installation of the goods and the Buyer shall be obliged to pay all costs in connection with the discontinuation. If for the above reason installation work is discontinued for a period exceeding twenty-four (24) hours, MicroStep shall have the right to withdraw its installation technicians. Their later arrival to resume the discontinued installation work shall be subject to MicroStep's availability and MicroStep shall not be in delay towards the Buyer for this reason or liable for the Buyer's damages in connection with the discontinued installation. MicroStep shall be entitled to receive payment of the installation hourly rate from the Buyer also during the discontinued installation until the withdrawal of the installation technicians by MicroStep.
- 5.6 The Buyer shall be obliged to provide, free of charge, any media, documents and other materials as may be required and necessary to carry out the takeover tests of the goods (hereinafter referred to as the "**takeover tests**"). The Buyer shall be furthermore obliged to ensure cooperation of professionals for the purpose of the takeover tests at its own expense.
- 5.7 The purpose of the takeover tests is to verify the functionality of the goods and compliance of the technical and operational parameters of the goods with the specifications in the contract.

- 5.8 The Buyer shall not be entitled to use or operate the goods or a part thereof prior to the completion of the takeover tests.
- 5.9 MicroStep shall be obliged to notify the date and time of the takeover tests to the Buyer not later than two (2) work days in advance.
- 5.10 The Buyer shall be obliged to:
- a) take part in the takeover tests through a representative authorized to act on behalf of the Buyer and a representative with the necessary technical expertise and practical experience;
  - b) enable MicroStep to access the destination and the goods;
  - c) check the actual functionality, technical and operational parameters of the goods;
  - d) confirm the outcome of the takeover tests by signing the takeover protocol by its representatives.
- 5.11 Unless agreed otherwise, MicroStep shall be obliged to:
- a) take part in the takeover tests through a representative with the necessary technical expertise and practical experience;
  - b) check the actual functionality, technical and operational parameters of the goods;
  - c) state the outcome of the takeover tests in the takeover protocol, i.e. that (i) the goods are fully functional and without any defects or (ii) describe the detected defects of the goods in the takeover protocol as well as the manifested consequences of the defect;
  - d) if a defect of the goods has been detected, determine whether the detected defect is significant or insignificant and state a time limit, by which the detected defect shall be removed;
  - e) draw up a takeover protocol concerning the outcome of the takeover tests and submit one counterpart to the Buyer;
  - f) confirm the outcome of the takeover tests by signing the takeover protocol by its representatives.
- 5.12 **The goods shall be deemed delivered to the Buyer** on the date of signing of the takeover protocol if the following conditions are met:
- a) the takeover protocol states that the goods have been delivered without any defects;
  - b) the takeover protocol states that the goods have been delivered with defects other than significant defects;
  - c) the Buyer has violated its obligation under par. 5.8 of the GTC, whereas the date of delivery is the date on which the Buyer actually used or operated the goods, at the latest on the day when the takeover tests should have been executed according to par. 5.9 of the GTC;
  - d) the Buyer has violated any of its obligations under par. 5.10 (a), (b) or d) of the GTC, whereas the date of delivery is the date on which the Buyer breached his obligation;
  - e) the Buyer has marred the completion of the takeover tests, whereas the date of delivery is the date on which the Buyer marred the completion of the takeover tests, including the day according to par. 4.8 or 4.9 of the GTC.
- 5.13 If the takeover protocol states the existence of a significant defect, MicroStep shall be obliged to remove the defect.
- 5.14 Upon removal of a significant defect of the goods, MicroStep shall be obliged to conduct takeover tests again, whereas par. 5.2 through par. 5.14 of the GTC shall apply, as the case may be. The Buyer is not entitled to use or operate the goods before completing all takeover tests and the proper delivery of the goods.
- 5.15 A significant defect of the goods is a defect that prevents the goods from meeting the primary purpose. MicroStep shall be obliged to remove any defect other than a significant defect without undue delay after signing the takeover protocol.

## **VI. Ownership rights and Prohibition of Re-Export**

- 6.1 The Buyer shall gain ownership rights to the equipment or the goods upon full payment of the entire purchase price.
- 6.2 Before gaining the ownership rights to the goods, the Buyer shall not be authorized to enable third parties to use the goods, to pledge the goods and/or put any other encumbrance on the goods or to sell the goods. The Buyer shall be obliged to notify any damage, theft or retention of the goods without undue delay in writing. Should a third party claim rights to the delivered goods, the Buyer shall be obliged to notify MicroStep immediately in writing.

- 6.3 The Buyer shall be authorized to export the goods outside the country, to which the equipment was delivered, according to the contract (to re-export the goods) only upon MicroStep's prior written consent. Should the goods be re-exported without MicroStep's consent, no warranty shall apply to the goods.

#### **VII. Software License and Intellectual Property**

- 7.1 A software license in the agreed scope shall be granted to the Buyer by MicroStep based on a separate written contract according to the price list of MicroStep.
- 7.2 The Buyer shall have no right to use the software unless the entire purchase price for the provided service has been paid. MicroStep shall activate the software without undue delay following the payment of the entire Buyer's debt towards MicroStep. Software updates are performed by MicroStep with professional skill and at its own discretion. The Buyer is entitled for the updates upon payment of fees related to specific updates in accordance with MicroStep's price list.
- 7.3 The Buyer shall be entitled to use the software for his own use only. The Buyer undertakes to refrain from providing the software to third parties. The Buyer shall not be authorized to change or modify any parts of the software. MicroStep shall grant a software license to the Buyer for indefinite time, unless stipulated otherwise in the contract.
- 7.4 The Buyer shall be entitled to any exercise of MicroStep's intellectual property rights only according to a written contract stipulated with MicroStep in the agreed scope and territory.
- 7.5 The Buyer is obliged to protect the intellectual property rights as well as the good reputation of MicroStep and its products. The Buyer is entitled for any use of intellectual property, in particular for trademarks, including the name and logo of MicroStep, only with a prior written consent of MicroStep.

#### **VIII. Warranty, Liability for Defects and Damage Compensation**

- 8.1 MicroStep guarantees under its quality warranty that the delivered goods shall be usable for the intended purpose throughout the warranty period (hereinafter "**quality warranty**").
- 8.2 Unless explicitly stated otherwise in the warranty confirmation, contract, GTC or technical documentation, the warranty period for the goods shall be twelve (12) months. Warranty period for goods that include components supplied by a third party, such as a plasma source, a laser source, a water pump, a filtering unit, an extraction system and other separate devices (hereinafter referred to as "**third party components**") is always set separately by the third party in the warranty confirmation or in the technical documentation related to single components of the goods.
- 8.3 Warranty period shall start on the date of delivery of the goods. Unless the Parties have agreed a longer warranty period, the warranty period shall end no later than 15 months from the date when risk of loss or damage to the goods was transferred to the Buyer, which also applies to the warranty for any removed defects in the goods.
- 8.4 Should the Buyer be in delay with the payment of any receivable concerning MicroStep for more than fourteen (14) calendar days, no obligation under the quality warranty shall arise for MicroStep.
- 8.5 Should the Buyer be in delay meeting any of its obligations towards MicroStep during the duration of the quality warranty, the quality warranty shall cease to exist on the first day after the expiry of the additional deadline for fulfillment given to the Buyer by MicroStep in a written request (by email). The length of the additional period for fulfilling the obligation of the Buyer is determined by MicroStep at its sole discretion on a case-to-case basis.
- 8.6 Quality warranty shall not apply to defects of the goods if:
- a) in case the installation of the subject matter of the contract is carried out in violation of the instructions, manual or without the prior written consent of MicroStep;
  - b) the Buyer or any third party has carried out an intervention or changes to the goods without MicroStep's prior written consent;
  - c) if the Buyer fails to comply with the user's manual of the delivered goods or fails to carry out regular checks and maintenance operations as per the manual;
  - d) if spare parts and/or consumables have been used that are not originals made by the respective manufacturer approved by MicroStep in writing;
  - e) if the goods have been used despite the defects have not been removed;
  - f) if the goods are used by an untrained staff.

- 8.7 Warranty shall not apply to aggregates and parts subject to wear and tear by customary use or subject to regular replacement (filtration cartridges in filtration equipment, consumables in burners, optics of cutting equipment etc.).
- 8.8 Warranty for spare parts (including tubes for media supply in the moving parts of the equipment) is 6 months. Within the warranty scheme, original replaced components supplied by a third party as well as other parts of the goods shall become property of MicroStep. The Buyer shall be obliged to ensure once every 3 months a professional revision of tubes for media supply in the moving parts of the equipment and notify MicroStep of the outcome of the revision without undue delay in writing. A professional revision shall be conducted by a qualified and certified professional or directly by MicroStep. In case of violation of the above obligations by the Buyer the warranty for tubes shall become null and void and the Buyer shall be fully liable for any problems and equipment damage.
- 8.9 Immediately upon the handover of the equipment and goods the Buyer must notify MicroStep about all visible damages to the equipment and goods (also with attached photo documentation of all damages), that could have been detected during an inspection upon receipt of the equipment and goods, so that MicroStep can claim them against the carrier (in case MicroStep was obliged to procure carriage). Visible damages or defects of the equipment and of the goods that could have been detected during a thorough inspection upon receipt of the equipment and of the goods shall be notified by the Buyer to MicroStep (also with attached photo documentation of all defects) without undue delay, not later than within 6 hours from the moment of handover of the equipment or of the goods and/or receipt of the equipment and of the goods. Other defects of the goods that could not have been detected during a thorough inspection upon the handover of the goods shall be claimed by the Buyer from MicroStep in due fashion immediately after the finding, however not later than within 12 hours from the finding. Should the Buyer fail to notify the detected defects within the above time limits and in the agreed manner, the Buyer's claims arising from the quality warranty, or liability for defects shall be null and void.
- 8.10 Claims arising based on the quality warranty, or liability for defects (hereinafter referred to as "**customer claims**") shall be raised in writing and shall include the following details:
- a) the Buyer's identification data;
  - b) identification of the goods and of the contract;
  - c) a brief description of the detected defect supported by evidence (especially photo documentation).
- 8.11 MicroStep shall be obliged not later than within five (5) work days from receiving the customer claim to make a statement concerning the claim. In case of a justified claim MicroStep shall be obliged to start removing the defect within seven (7) work days from receipt of the customer claim.
- 8.12 MicroStep undertakes to resolve a justified claim mainly by removing the defect by means of a service intervention on the goods or a part thereof. If a service intervention is deemed impossible or useless, MicroStep may decide to replace the broken part of the goods. If a justified defect is not removed within thirty (30) work days from the date of a raised justified claim, the Buyer shall have the right to request an adequate discount from the price of the defective part of the goods. This does not apply to claims related to third party components, whose defects will be repaired within the shortest possible time period. During resolution of the customer claim the Buyer shall not be entitled to any replacement of the goods or to compensation due to the inability to use the goods. MicroStep shall always be entitled to remove a defect by replacing a part of the goods.
- 8.13 Unless agreed otherwise, MicroStep shall not be liable for any damages incurred to the Buyer including lost profit mainly due to a defect of the goods.
- 8.14 Quality warranty claims are held solely by the Buyer and may not be transferred to a third party without MicroStep's written consent.
- 8.15 Declaration of conformity (CE certificates) issued by manufacturers of plasma cutting systems relate to the plasma cutting system as a whole: i.e. the energy source, the burner, the gas console, the ignition, the cooling system, the pump motor, spares and consumables. This means that should the Buyer decide to use consumables or spares from a different manufacturer, the issued Declaration of conformity shall become invalid and the manufacturer of the plasma cutting system and MicroStep as the equipment manufacturer shall not be liable for damages, if any, resulting from the use of an uncertified plasma cutting system. Moreover, security measures described in the user's manuals of plasma cutting systems foresee the use of original spares as mentioned above. In case of use of consumables or spares from

a different manufacturer, solely the manufacturer shall be liable for the accuracy and quality of the information and measures indicated in the user's manuals.

#### **IX. Force Majeure**

- 9.1 Force majeure shall mean any unpredictable or extraordinary situation or event not dependent on the will of the Parties, not caused by a fault or negligence on their part and that prevents one of the Parties from meeting one or more of its contractual obligations and could not be overcome despite the utmost effort. Force majeure shall mean mainly, but not only, strike, violent conflict, war, act of terrorism, natural disaster or catastrophe and pandemic.
- 9.2 Should one of the Parties encounter an occurrence of force majeure, the party shall immediately notify the other contractual Party in writing and specify the nature, expected duration and anticipated consequences of the event.
- 9.3 Should any contractual Party be unable to fulfill its contractual obligations owing to force majeure, this shall not be considered failure to meet obligations or action in conflict with contractual obligations. Should a contractual Party be unable to fulfill its obligations owing to force majeure, its entitlement to the payment of the price shall be restricted only to the part of the price for the actually completed subject matter of the contract. The Parties are obliged to cooperate and shall adopt all necessary measures to minimize potential damage.
- 9.4 Cases of force majeure shall extend agreed delivery periods by the duration of force majeure and its direct consequences. If circumstance of force majeure last more than ninety (90) calendar days, each contractual Party shall be entitled to withdraw from the Contract.

#### **X. Confidentiality, Protection of Trade Secret and Confidential Information**

- 10.1 The Parties undertake to protect from disclosure to third parties facts constituting trade secret, confidential information and other facts arising from the contractual relationship.
- 10.2 Information, dossiers and documents shall be deemed confidential information unless they can be commonly accessed in the public domain. The trade secret shall comprise all facts of business, manufacturing and technical nature associated with MicroStep, which have actual or at least potential material or immaterial value, cannot be commonly accessed in relevant business circles, should remain confidential based on the will of MicroStep.
- 10.3 The commitment to protect the trade secret and confidential information shall remain in full force and effect throughout the duration as well as after the termination of the contract.
- 10.4 Unless explicitly agreed otherwise in the contract, the parties are entitled to use the trade names as a trade reference, i.e. they may inform third parties that the other party is their business partner. This right may be withdrawn by the other party at any time.
- 10.5 The Parties undertake to protect personal data in accordance with applicable law, in particular in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 (hereinafter also referred to as the "GDPR Regulation"). MicroStep as the operator obtains, particularly through its website [www.microstep.com](http://www.microstep.com), [www.microstep.eu](http://www.microstep.eu), [www.microstep.sk](http://www.microstep.sk), the personal data of persons (hereinafter also referred to as "data subjects") who may be interested in its services as well as the services of its contractual partners. MicroStep collects the personal data of the data subjects mainly in the scope of name, surname, e-mail address, telephone contact (hereinafter also referred to as "personal data") in order to re-contact them with the offer of services, goods and other marketing activities. MicroStep is entitled to provide the personal data of the data subjects to its contractual partners. The contractual partners are obliged to use personal data only for their own needs and for the same purpose as determined by MicroStep when obtaining them. In the event that MicroStep informs its contractual partner that the data subject has withdrawn his consent to the processing of personal data, the contractual partner is obliged to destroy the personal data of the data subject without undue delay and not to use them further.

#### **XI. General and Final Provisions**

- 11.1 The present GTC, individual contracts as well as binding legal relations that shall arise from the individual contracts shall be governed by applicable Slovak law, in particular by the Commercial Code, as amended. The present GTC shall be an inseparable part of any contract.

- 11.2 If the contract entered into by and between MicroStep and the Buyer concerns:
- a) delivery of the goods under par. 1.2 (a) of the GTC, a purchasing contract shall be stipulated by and between the Buyer and MicroStep, in which MicroStep shall be the Seller and the other party shall be the Buyer;
  - b) delivery under par. 1.2 (b) of the GTC, a licensing contract shall be stipulated, in which MicroStep shall be the license provider and the Buyer shall acquire the license;
  - c) delivery of services under par. 1.2 (c) of the GTC, a work contract shall be stipulated, in which MicroStep shall be the Implementing Party and the Buyer shall be the Ordering Party.

Any other relations shall be assessed according to the legal relation that shall be the closest to the legal relation existing between the Parties.

- 11.3 If the Buyer is an entity who is not a Slovak entrepreneur, the Parties have agreed that Slovak substantive law shall be the governing law. Provisions of the United Nations Convention on Contracts for the International Sale of Goods (CISG) (notification to the MFA of the ČSFR No. 160/1990 Coll.) shall not apply.
- 11.4 Unless explicitly agreed otherwise in the contract, courts of the Slovak Republic shall have jurisdiction over disputes not resolved amicably arising out of the GTC, contracts, any obligations under such contracts or in relation to such contracts. In case of a dispute with a third party related to these GTC, the Parties undertake to cooperate with each other to protect their interests and rights, so as to preserve good reputation of MicroStep and its products.
- 11.5 Contractual provisions and the GTC shall prevail over any non-mandatory provisions of applicable legal regulations. If the applicable law allows the Parties to govern their mutual relations differently from the provisions of the law and/or regulations, the Parties have agreed that contractual provisions and GTC shall be interpreted as the Parties' express will governing their mutual relations in the manner indicated in the contract and GTC, which excludes any different application under the dispositive legislation. The Parties have agreed that the contract may be withdrawn only in cases where the contract or GTC explicitly states this right.
- 11.6 Any communication between the Parties concerning changes or termination of contractual relations shall be done in writing and delivered to the other Party; therefore, a document that is:
- a) delivered to the other Party in person shall be deemed delivered at the time of delivery and/or rejected receipt by the Party to whom it had been addressed;
  - b) sent to the other Party by letter shall be deemed delivered on the seventh (7<sup>th</sup>) work day following its sending by registered mail or by courier.
- To prove delivery, it shall suffice for the sender to show that the letter was duly addressed, sent and the postage paid.
- 11.7 Regular communication of operational nature without legal effects may be done between the Parties by customary means of communication such as email, in person or by telephone.
- 11.8 The Parties shall be entitled to change their identification, communication and payment data at any time and the change shall become effective in relation to the other Party at the time of notification thereof to the other Party in the manner under par. 11.6 of the GTC.
- 11.9 Any claim for contractual penalty according to these GTC or a contract, shall have no effect on MicroStep's right to damage compensation in full.
- 11.10 Throughout the contract duration the Parties shall be obliged to notify immediately any changes of their identification data (e.g. changed legal form, registered offices), as well as changes of their legal status (e.g. merger).
- 11.11 In case of legal succession, the successors of the Parties shall be bound by the provisions of the present GTC and of the single contracts.
- 11.12 The Buyer shall be entitled to transfer claims raised with MicroStep only upon MicroStep's prior written consent.
- 11.13 Should the Buyer be in delay meeting its obligations towards MicroStep, MicroStep shall be entitled to discontinue meeting any and all of its obligations towards the Buyer, including obligations arising out of other contracts or legal relations existing between the Parties, regardless of the fact that the Buyer might

