

# CONTRACT ON COOPERATION

concluded pursuant to § 269 par. 2 of the Act No. 513/1991 Coll.,  
the Commercial Code, as amended

## Article 1 Contracting Parties

1.1.

Company name: Shanghai Zhengtong Machinery Co., Ltd.  
Registered seat: Room 528, House 1416, Kaixuan Road, Shanghai, China

Contact: Tel.: (86) 21 52569571  
Fax: (86) 21 52569577  
E-mail: shen.hanling@tom.com

Represented by: Shen Hanling  
Person authorized to negotiate  
contractual issues: Tracy Yan

Company registration number: 310115001786671  
Tax identification number: 310115569578771  
VAT identification number:  
Bank details: AGRICULTURAL BANK OF CHINA SHANGHAI BRANCH,  
No. 189 Hongshan Road, Pudong, Shanghai, China  
Account number:

Registered in: Room 6, House 12, Jinwen Road,  
Pudong New District, Shanghai, China  
(hereinafter referred to as „Shanghai Zhentong”)

1.2.

Company name: **TECHNICKÁ INŠPEKCIA, a.s.**  
Registered seat: Trnavská cesta 56  
821 01 Bratislava  
Slovakia

Contact: Tel.: +421 2 49208100  
Fax: +421 2 49208160  
E-mail: [tisr@tisr.sk](mailto:tisr@tisr.sk)

Represented by: Ing. Dušan Konický, Chairman of the Board of Management  
Person authorized to negotiate  
contractual issues: Ing. Peter Pribula, Foreign Sales Manager

Company registration number: 36 653 004  
Tax identification number: 2022210608  
VAT identification number: SK2022210608  
Bank details:  
Account number:

Registered in: Register of Companies at the District Court of Bratislava I,  
Section: Sa, Insert No. 3919/B  
(hereinafter referred to as „TI”)

**Article 2**  
**Preamble**

- 2.1. Shanghai Zhentong and TI as the contracting parties (each of the above called separately "Party" and together "Parties" hereinafter) conclude this Contract on Cooperation.
- 2.2. The purpose of this Contract is to treat mutual rights and obligations of the Parties in the fulfilment of the subject of the Contract.
- 2.3. The services are carried out by experts who have according to their education, training and experience sufficient technical knowledge to perform the ordered services.
- 2.4. The experts are permanent members of the staff of the Parties. They are regularly paid by their organisations and share no additional financial profits while performing services.

**Article 3**  
**Subject of Contract**

- 3.1. The subject of the Contract shall be cooperation of the Parties in performance of conformity assessment, inspection activity, certification, marketing and sales activities and market survey and other related services (hereinafter referred to as "Services").
- 3.2. The subject of this Contract may, based on the mutual agreement of the Parties, also be extended to other areas and specific issues of cooperation.

**Article 4**  
**Place, Time, Scope of fulfilment and Prices**

- 4.1. The Parties agreed that particular place, time and scope of fulfilment shall be agreed separately for each case.
- 4.2. TI shall be responsible for:
  - first and regular surveillances of Shanghai Zhentong in agreed terms (at least 1 audit per year)
  - assessment of products pursuant to relevant European Directives and issuance of relevant documents
  - assessment of changes of already certified products and issuance of relevant documents
  - surveillance in compliance with relevant European Directives and issuance of relevant documents
  - reimbursement of mutually agreed costs of TI representative employed by Shanghai Zhentong relating the activities listed in chapter 5. Mutually agreed costs are amended to the contract.
  - reimbursement of other costs for activities not listed in chapter 5 upon written application of TI.
- 4.3. Shanghai Zhentong shall be responsible for:
  - finding customers for Services according to this Contract
  - performance of conformity assessment
  - performance of necessary tests, audits, inspections and supervisions required by TI
  - preparation of activities related to surveillance according to agreed terms and schedules
  - market survey
  - marketing and sales activities
  - employment of TI representative approved by TI. Scope of work of TI representative is listed in chapter 5.

- 4.4. All services and costs provided by TI shall be paid by Shanghai Zhentong at mutually agreed prices. Prices shall be regularly agreed for the period of one year and shall be changed following to amendment to the Contract. If the Parties do not come into agreement on prices for respective year by the end of the month January of respective year, Contract shall be terminated.
- 4.5. Agreed prices valid from signature date till 31.1.2014 are given in Annex no. 1 of the Contract.
- 4.6. Agreed price shall be paid on the base of issued invoices in determined term of maturity.

**Article 5**  
**Scope of work of TI representative**

- 5.1 To assist management and foreign sales manager of TI according to their requirements,
- 5.2 Perform all necessary activities with regards of establishment of TI company in PRC,
- 5.3 Keeping contacts with existing clients of TI in PRC,
- 5.4 Perform marketing activities and market research with the view of finding new clients in PRC,
- 5.5 Preparing of drafts of final documents (certificates, reports etc.) and other documents that will be issued by TI,
- 5.6 Contacting clients with regard to organization of the services (time, place, specific equipment, etc.),
- 5.7 Ensuring transport and accommodation of TI staff on the territory of PRC,
- 5.8 Translation services from the English language to the Chinese language and vice versa,
- 5.9 Accompany TI staff on the territory of PRC during their stay,
- 5.10 Preparation and sending of applications for assessment to TI,
- 5.11 Preparation and sending of an invitation for TI staff for arrangement of visas,
- 5.12 Perform audits of quality systems,
- 5.13 Contacting the embassy of the Slovak Republic in PRC or other bodies in case of accident (injury, loss of travel documents, etc.),
- 5.14 Perform any other work according to the requirements of TI management and foreign sales manager.

**Article 6**  
**Confidentiality and Exclusivity**

- 6.1 The Parties undertake to keep in confidence all information and documentation received from the other Party. Acquired information both in written or oral form each Party shall use only for contract purposes and shall not disclose it to any third party without previous written permission of the other Party.
- 6.2 Shanghai Zhentong is not concluding this Contract with TI, a.s. as an exclusive contract. Both Parties to the Contract follow their intentions, to provide the clients the best services, without conclusion of an exclusive contract. It is also agreed and declared that the Parties hereof act as independent contractual partners and no other relation, including partnership or joint venture, shall be considered or assumed as the result of this Contract or on its basis.

**Article 7**  
**Exchange of information and experience**

- 7.1 Apart from activities mentioned above, the cooperation between Parties includes exchange of experience, trainings and study visits of their employees.
- 7.2 Parties agreed that the expenses related to the cooperation activities performed according to the provisions of this Article will be independently paid by each Party. Unless agreed otherwise, the visiting Party must bear delegation travel and accommodation expenses.
- 7.3 If necessary, the representatives of both Parties shall meet in Slovak Republic or in China by turns for the purpose of discussing problems connected with the Contract and exchanging information and experiences.

**Article 8**  
**Liability for Loss**

- 8.1 The Parties bear liability within the scope of applicable and effective legal regulations for any loss caused by them. The Parties have to make their best effort to avoid losses and to minimize the loss incurred.
- 8.2 Should a Party violate the obligations set by the Contract then the other Party has a right to be indemnified for the loss incurred due to such violation.

**Article 9**  
**Language**

- 9.1 The correspondence between the Parties will be carried out in English language.
- 9.2 The Contract is elaborated in English language.

**Article 10**  
**Final provisions**

- 10.1 The Contract shall be concluded for an unlimited period of time.
- 10.2 The Contract shall expire
- a) based on agreement in writing of the Parties,
  - b) upon termination of the Contract if the Parties do not come into agreement on prices for respective year,
  - c) by giving notice by any of the Parties without giving a reason. The notice period takes 6 months and starts running on the first day of the calendar month following the month in which the written notice was delivered to the other Party,
  - d) upon rescission of the Contract provided that the other Party breaches the Contract substantially. The effects of the rescission commence upon delivery date of the written notice of rescission of the Contract to the other Party. As substantial breach of the Contract is considered, namely:
    - in case when a Party violate the duties according to this Contract and/or neglects contracting duties fulfilment
    - if by acting respectively by inaction of one of the Parties the goodwill of the other Party will be impaired.
- 10.3 The Contract comes in force and becomes effective on date of signature by both Parties as a witness of their consent to the entire content of the Contract.

- 10.4 The Contract is in force on the territories of Slovak Republic and China.
- 10.5 The Parties agreed that the Contract is concluded under provisions of Slovak law and relations following from are governed by law of the Slovak Republic.
- 10.6 The relations between the Parties which are not expressly stipulated by this Contract shall be governed by relevant provisions of the Commercial Code and other generally binding legal regulations, applicable and effective on the Slovak territory.
- 10.7 If any of the provisions thereof were or would become inapplicable the remaining provisions of the Contract shall not be affected. The Parties are liable to replace forthwith any invalid provision by a new provision which would correspond to the purpose of this Contract followed by the Parties at the time of its signature.
- 10.8 The Parties undertake to make their efforts to settle the eventual disputes, arising out of or in relation to this Contract, in particular by agreement. If the Parties do not come to an agreement then the disputes shall be resolved by competent court according to the Slovak Law.
- 10.9 The Contract may only be modified or amended by written amendments thereto, signed by statutory representatives of the Parties.
- 10.10 This Contract is made out in two originals, one original for each Party.
- 10.11 The Parties represent that they have read the Contract and, that the Contract, as it was drawn up, corresponds to their real will which they have mutually shown in a serious, understandable and fully free way, to the witness thereof they affix signatures of their statutory representatives.

In Shanghai,

In Bratislava,

On behalf of Shanghai Zhentong

On behalf of TI:

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Shanghai Zhentong  
Mr. Shen Hanling

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Technická inšpekcia, a.s.  
Ing. Dušan Konický  
Chairman of the Board of Management

**Agreed prices****A. Pricelist of activities TI<sup>1)</sup>**

<b>Pressure equipment directive (PED)</b>				
<b>Module</b>	<b>Certification supplier</b>	<b>Certification price</b>	<b>Surveillance supplier</b>	<b>Surveillance price</b>
Module H - valves	Shanghai Zhengtong	600 EUR	Shanghai Zhengtong	300 EUR
Module H - vessels	Shanghai Zhengtong	750 EUR	Shanghai Zhengtong	300 EUR
Module G	Shanghai Zhengtong	50 EUR/piece	XXXXXXXXXX	XXXXXXXXXX
WPQR	TI	50 <sup>2)</sup> EUR/WPQR	XXXXXXXXXX	XXXXXXXXXX
Cert. 3.2	TI	50 <sup>2)</sup> EUR/Cert.	XXXXXXXXXX	XXXXXXXXXX
<b>Approval of material manufacturer (Annex I point 4.3 of PED)</b>				
Material manufacturer	Shanghai Zhengtong	600 EUR	Shanghai Zhengtong	300 EUR
<b>Surveillance performance of Shanghai Zhengtong</b>				
Surveillance of Shanghai Zhengtong	TI	400 EUR/audit	XXXXXXXXXX	XXXXXXXXXX
<b>ISO 9001 certification</b>				
ISO 9001	Shanghai Zhengtong	250 EUR	Shanghai Zhengtong	130 EUR

1. The price does not include travelling expenses (such as accommodation costs, flight tickets and other travelling costs etc.); these will be invoiced according actually spent costs. Price does not include VAT.
2. Price does not include costs for non-destructive and destructive tests

**Remark 1:** Prices for other activities not included in the Annex and covered by contract will be agreed on the case by case basis.

**Remark 2:** Prices covered by the contract are for common products. Prices for special products as well as decision about "special product" will be agreed on case by case basis.

**B. Reimbursement of costs of TI representative (point 4.2 of the contract)**

18 200 RMB/month
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