

# General Buying Conditions of MOTOR JIKOV Group (hereinafter referred to as the “Buying Conditions”) within the meaning of the provisions of Section 1751(1) of Act No. 89/2012 Coll., Civil Code

## I. Introductory Provisions

- The Buying Conditions form an integral part of a contract (purchase or for work) – hereinafter referred to as “Contract” – between a supplier as a seller or a contractor and a customer as a purchaser or a client (both of them hereinafter referred to as the “Parties”). Goods are products, work or services defined and specified by the Parties in the Contract or in its annexes.
- These Buying Conditions set the Parties' rights and duties in a binding way to the extent that they are not expressly governed by the Contract. In such a case, the provisions of the Contract prevail.

## II. Proposal (Order)

- The proposal to conclude the Contract (Order), its acceptance and all contractual stipulations concerning the creation, revision or termination of the Contract must be made in writing and, if appropriate, by fax, e-mail or by a software solution intended for placing and receiving orders. The Contract is concluded by confirming the Order by the contractor.
- The contractor shall confirm the Order by signing and/or stamping the Order and shall deliver the Order so marked to the customer by fax or e-mail. The contractor is not entitled to confirm the Order in different way, e.g. on its own form, etc.
- If the contractor modifies, amends, or varies the Order, it is always a counter-proposal and the Contract is always concluded by the eventual adoption of the counter-proposal by the customer. In the event that depending on the circumstances a quotation of the contractor is the proposal to conclude the Contract, the Contract is concluded by adoption by the customer.
- Paragraphs 2 and 3 of this Article apply appropriately also to the cases of concluding contracts by means of a software solution intended for placing and receiving orders.

## III. The Subject of the Contract

- The contractor undertakes to deliver goods given to the customer under the Contract and to transfer ownership of these goods or to carry out work which is believed to be goods and the customer undertakes to take over the goods and to pay for them the price agreed to the contractor. The ownership of the goods and risk of damage to the goods is transferred to the customer by factual takeover by the customer. A written record on handover and takeover of the goods shall be made and signed by the Parties' representatives. The record can be replaced by a contractor's delivery note confirmed by the customer in writing. In no case the contractor is entitled to deposit the goods in the third party's safe-keeping and/or to request the customer to pay the costs associated with goods deposition and in no case is entitled to specify additionally the properties of the goods.

## IV. Price

- The goods price is determined by the Contract and is fixed. Unless otherwise agreed by the Parties, the price includes packaging, necessary documentation, shipment to the place of destination, all insurance, and customer's personnel training in operation of the goods. The contractor is also responsible for any taxes, fees, duties and similar payments which are connected with the goods and its delivery, and which the contractor is obliged to pay under the Contract or legal regulations in force.

## V. Delivery

- The delivery conditions laid down in the Contract follow the DDP clause according to INCOTERMS 2010. Unless otherwise agreed, the place of delivery is the domicile of the customer. If the goods have defects, the customer is not obliged to take over the goods. The provisions of Section 2093 of the Civil Code do not apply.
- In case of late delivery, the contractor is obliged to pay to the customer a contractual penalty in the amount of 0.05% of the total price of the non-delivered goods under the Contract excluding VAT value for each commenced day of delay, but at least CZK 200 per each case of delay. If the contractor fails to deliver the goods even within an adequate alternative term provided by the customer, the customer will be entitled to withdraw from the Contract.
- The contractor is obliged to deliver the goods together with a delivery note and, if necessary, declaration of conformity or written affirmation of the issuance of the declaration of conformity and, if necessary, other documents necessary for taking over and using the goods, proving the origin of goods, serving for customs, re-export purposes, etc., and the documents proving fulfilment of the obligations according to the legal regulations concerning packaging. The delivery notes must contain the customer's order number. On the request of the customer, the contractor is obliged to notify the customer in writing of the customer's obligations in connection with the goods or packaging as well as waste and of the methods of their fulfilment.
- The customer has the right to check the state of completion of the goods on the premises of the contractor by requesting information from responsible persons or by physically inspecting the state of completion of the subject of performance on the premises of the contractor or its subcontractors. The contractor is obliged to ensure the possibility of inspection on the premises of the subcontractor. The contractor undertakes to develop appropriate synergy to enable the customer to check the state of completion. As part of the inspection on the premises of the contractor or the subcontractor, the contractor shall enable the customer to verify the progress of production and testing, and to consult quality records and test reports, which relate to the subject of the Contract. The contractor is obliged to submit to the customer such documents related to the subject of the Contract, which will be required by the customer to carry out the inspection. When the customer identifies deficiencies, the customer is entitled to request their correction and if they are not corrected within an adequate period of time specified by the customer, the customer is entitled to withdraw from the Contract.
- The contractor undertakes to familiarize itself with performance of the subject of the Contract before the commencement of activity to a sufficient extent with all conditions, legal requirements, necessary schedules, drawings, plans and other documents, and to obtain all additional information and details at its own responsibility and expenses that it needs to be able to perform the subject of the Contract.
- If the contractor performs the Contract on the premises of the customer area or in the place specified by the customer, it is obliged to follow the applicable legal regulations in the area of occupational safety and hygiene, fire protection, and the internal safety regulations valid in the place of performance of the subject of the Contract. On the request of the contractor, the customer shall notify the contractor of the internal safety regulations valid in the place of performance of the subject of the Contract and the contractor shall ensure compliance with such rules by its own workers.
- The contractor is obliged to refuse the delivery of goods only in the event that the customer is in delay in payment of the goods price for more than 60 days and the customer also fails to pay the debt even though the customer was requested, after the specified deadline, to pay the debt within an alternate period of time of at least 14 days.

## VI. Quality of Goods, Notification of Defects

- The contractor is obliged to deliver goods in the required quantity, quality and model according to the Contract or its annexes (in particular technical documentation or quality agreement) and in the state required by the customer, in accordance with CSN, DIN, EN, without any factual or legal faults. The delivery of goods must be also in full compliance with the customer's Supply Manual, which is available on the customer's website and which comes to the supplier's knowledge on conclusion of the Contract at the latest. The duty to pack the goods is governed by the provisions of Section 2097 of the Civil Code; however, the goods must be always packed to prevent potential damage during transport or storage. The delivered goods must be labelled in such a way so that it is identifiable and clear at first sight what goods are concerned. This labelling must be non-washable and clearly visible.
- On receipt of the goods, the customer confirms the delivery only in terms of the number of packages and the extent of required documentation submitted together with the delivered goods. The customer shall store the goods within its capacities. The quality of the delivered goods shall be assessed at the entry on the premises of the customer on a random or statistical basis according to the internal guidelines of the customer. The customer is not obliged to inspect the delivered goods.
- The contractor shall provide the customer with copies of all quality certificates, cover sheet (e.g. customer audits, ISO, VDA, etc.) obtained before the conclusion of the Contract. The contractor also undertakes to update the certificates sent to the customer on a regular basis.
- The contractor provides the quality guarantee for the goods for a period of 24 months starting on the day of factual takeover of the goods. A new period of guarantee applies to the replaced goods or their parts in the same duration, starting from the day of termination of replacement. The period of guarantee shall be extended by a period of testing, changes or repairs carried out by the contractor under the guarantee and starts from the claim up to the successful removal of defect.
- The customer is obliged to notify the contractor of goods defects within an adequate period of time after they have been identified, in writing or, if appropriate, by fax, e-mail or by a software solution intended for placing and receiving orders. The contractor shall respond to this notification from the customer by means of the 8D-Report.
- In case of goods defects, the customer may:
  - Require removal of defects by free-of-charge delivery of new goods or their part to replace the defective goods. The date for replacement delivery shall be specified by the customer.
  - Require delivery of missing goods or documentation.
  - Require removal of defect by repairing the goods if the defects are repairable. In such a case, the contractor is obliged to remove the defect of the delivered goods free of charge within a period of time as required by the customer. If the contractor fails to remove the defect within this period of time, the customer is entitled to remove the defect with its own capacities or through third parties, at the contractor's expenses, or to select the procedure according to letter a), d) or e).
  - Require adequate discount. The contractor is obliged to pay to the customer the amount equal to the discount within a period of 14 days from the delivery of notification of the selection of this claim; in case of failure to pay, the customer is entitled to include this amount in any claim of the contractor against the customer.
- Withdraw from the Contract.  
In justified cases, the customer may change the selection of its claim.

- The contractor is obliged to pay to the customer the contractual penalty in the amount of CZK 400 for each justified notification of defect. In the event that one notification covers more than one defect or one defect of more than one piece of goods, the customer is entitled to receive only one contractual penalty for this one notification.

## VII. Payment Conditions

- The contractor is entitled to receive the purchase price and is entitled to issue and send an invoice after proper fulfillment of the delivery. The contractor shall issue invoices for properly delivered goods on the basis of the document of delivery acceptance, which shall be enclosed to the invoice. All items of the goods shall be described and valued in detail in the invoice.
- The maturity of the invoices issued by the contractor shall be 60 days from the day of issuing the invoice. The customer is entitled to return to the contractor before the maturity date any unpaid invoice, which fails to meet the specified requirements or which has other defects in the content. The contractor is obliged to correct or newly issue the invoice depending on the nature of defects. The original maturity period is stopped by the justified return of the invoice. The new maturity period starts on the day of submission of the corrected or newly issued invoice.
- The customer is obliged the agreed price for properly delivered goods within the agreed maturity period. In case of default in payment of the price, the contractor is entitled to claim interest on late payment in the amount of 0.03% for each commenced day of delay. The invoiced amount shall be deemed to be paid on the day when the invoiced amount is debited from the customer's account. The customer shall perform in this order: price, followed by interest on late payment, costs associated with the introduction of claim. Costs and interests shall not be remunerated.

## VIII. Confidentiality

- Documentation of all kind provided to the contractor by the customer, in particular samples, drawings, models, data as well other information including provisions of the Contract and other contractual arrangements between the Parties are considered confidential by them. This is to protect particularly the data, which are the subject of a business secret, i.e. facts of business, production or technical nature related to the customer's business, which have real or at least potential material or non-material value, are not commonly available in the relevant business circles, should be kept secret at discretion of the customer and their confidentiality is assured in an appropriate way.
- Goods produced on the basis of documentation according to the previous paragraph or other confidential information of the customer or using things provided for that purpose by the contractor (tools, jigs, etc.) must not be offered or delivered to third persons without prior written consent of the customer.

## IX. Intellectual Property

- All things and information provided by the customer shall not be used for any other purpose than for the performance of the Contract. The contractor notes that things or elements are used in performance of the Contract, which are protected by the rights of industrial or another intellectual property for the benefit of the customer or third parties. The contractor undertakes not to infringe such rights, in particular, by unauthorized use, either directly or indirectly through a third party, not to allow any third party to make such infringement and to notify the customer immediately whenever infringement of the rights is identified. The customer reserves the ownership rights and copyrights and other rights of intellectual property for all things handed over to the contractor by the customer in order to fulfil the obligations under the Contract. The contractor shall provide appropriate protection to those things; in particular, they shall not be disclosed, reproduced, submitted or otherwise made available to third parties or used in any way for any other purpose than exclusively for fulfilment of the obligations under the Contract.

## X. Force Majeure

- In case of circumstances excluding liability, namely floods, fire, work conflicts, riots, official measures, losses of connection on the customer's or any of its dealers' side or other cases of Force Majeure, which result in substantial limitation of the activity or stoppage of work in production or business premises of the customer, the customer can interrupt the performance of the Contract for a necessary period of time, provided that the customer immediately notifies the customer of these circumstances and application of the Force Majeure clause. In case of circumstances excluding liability of the contractor as a result of which it is objectively not able to fulfil its obligations under the Contract, it is also obliged to notify immediately the customer of these circumstances and application of the Force Majeure clause.

## XI. Other Arrangements

- The contractor is liable for all things handed over to the contractor by the customer in order to perform the subject of the Contract, such as samples, cuts, dies, technical drawings, moulds, etc., regardless of whether these are owned by customer or third party, including all liability for accident, starting from the moment of being in its possession. The contractor undertakes not to use such things in any other way than for fulfilment of its obligations under the Contract and not to authorize any third party to make such unauthorized use without previous written consent of the customer and not to give consent to a third party to make such unauthorized use. The things shall be always handed over and returned against signature of written certificate. In relation to the things, the contractor is particularly obliged:
  - To enable the customer to make an inventory always on 30 November of a calendar year,
  - To handle the things with care and diligence including their proper maintenance,
  - To consistently monitor life time of the things and to notify the customer in writing well in advance before the elapse of life time of the things.
- In justified cases, the contractor is obliged to ensure that the things specified in previous paragraph are covered by insurance.
- Without prior written consent of the customer, the contractor shall not convey, transfer or assign any of its obligations or rights arising out of the Contract to any third party. Furthermore, without prior written consent of the customer, the contractor shall not set off any of its claims against the claim of the customer. The contractor is not entitled to make any of its claims the subject of the lien for the customer. The contractor expressly declares that it assumes risk of changes in circumstances.
- The contractor is obliged to pay the contractual penalty even in the case that breach of the obligation, which is covered by the contractual penalty, was without any fault on its side (for example, in case failure to fulfil obligations by the subcontractor in relation to the contractor). This does not apply when breach of the contractor's obligation covered by the contractual penalty was caused by breach of the obligation by the customer. Claiming the contractual penalty is without prejudice to the customer's claim for compensation of damages, to the full extent.
- The contractor undertakes to compensate the customer for all damage incurred in connection of breach of the contractual obligations by the contractor. All damage shall be paid including all costs associated with introduction of the defect. Damage shall also mean all contractual penalties or other sanctions imposed on the customer by its end users.
- Each of the Parties is obliged to immediately notify the other Party of any change in identification or contact information or of any circumstances, which could endanger performance under the Contract.

## XII. Final Provisions

- Rights and obligations which are not explicitly governed by the Contract or by the Buying Conditions follow the law of the Czech Republic; the UN Convention on the International Sale of Goods is not applied. The Parties exclude the application of the provisions of Section 557 of the Civil Code. The competent court based in Ceske Budejovice is competent for resolving all disputes concerning the Contract, even in relation to its conclusion and validity.
- These Buying Conditions exclude simultaneous application of any other trading terms to the contractual relationship between the contractor and the customer, which is governed by these Buying Conditions.