

# GENERAL TERMS AND CONDITIONS OF PURCHASE

Ver. 2019-01

## I. Introduction

1. These general terms and conditions of purchase (hereinafter the “VPN / GTCP”) are inseparable part of all purchase contracts concluded by BRISK Tábor a.s., registered address Tábor, Vožická 2068, 390 02, Czech Republic, Company ID: 47252090, as the Buyer.
2. Special terms and conditions applicable to both parties and agreed in the relevant purchase contract or agreement defining quality standards which are different from GTCP shall take precedence over provisions of these GTCP.

## II. General provisions

1. Based on a purchase contract the Seller is obligated to deliver to the Buyer individually specified goods in terms of the amount and type and transfer the goods ownership rights over to the Buyer and the Buyer shall pay for these goods the agreed purchase price.
2. A purchase contract must take a written form, while relevant manifestations of will do not have to be made in the same document. A confirmed order may also be regarded as a purchase contract. A purchase contract may also be concluded electronically without guaranteed electronic signatures.
3. The Seller shall confirm the order of the Buyer no later than within 5 (five) business days after the Seller receives the order.
4. A reply or response to an order, which seems to demonstrate the acceptance of the order, but contains restrictions or changes shall always be regarded as a new order and requires new acceptance from the Buyer. Therefore, the Buyer hereby excludes acceptance of any offer which specifies any deviations or it is attached with an appendix.
5. Timely acceptance of an offer shall take effect when the approval of the content of the offer reaches the proposer. Late acceptance of an offer may be regarded as a timely acceptance, but only if the proposer informs the person to whom the offer was made without any delay either by fax or in an electronic form that the offer is regarded as accepted in time.
6. A concluded purchase contract shall represent a sole and complete document between the Parties in the given matter. All previous agreements between the Parties regarding the same matter made either in written form or verbally shall become invalid as soon as the Purchase contract is concluded, unless the validity of these agreements is defined in the Purchase contract, except for provisions of article VIII, item 5 and article IX, item 6 of these GTCP.
7. The subject matter of the Purchase contract shall only include the goods expressly agreed and specified in the purchase contract.
8. The Seller is responsible for making sure that the goods are not encumbered by any third party, rights which could limit or render impossible the acquisition of the goods or the use of the goods by the Buyer. Should the Seller use items delivered to the Seller by the Buyer for the purpose of manufacturing the relevant goods, then the statement above shall not apply to these items.
9. Each item of goods, especially those defined in the order, Purchase contract, delivery certificate or invoice, are marked with internal markings used by the Buyer, and may also include the so-called warehouse card number, if assigned.
10. An important item in the Purchase contract, in addition to other requirements defined by the Civil Code, is the delivery date or rather the delivery deadline.
11. Upon request of the Seller, the Buyer may provide the Seller with the estimated purchase volumes of the relevant goods for the next following period which has been agreed by both parties in advance. However, this goods purchase outlook shall not be regarded as a binding order and may be modified.

## III. Prices

1. The purchase price has been agreed based on the agreement between both parties.
2. Purchase price applies to goods delivered under DDP INCOTERMS 2010 specifications to the ramp in the manufacturing plant of the Buyer located at Vožická 2068, 39002 Tábor, Czech Republic, unless both Parties agree otherwise.
3. The agreed purchase price, generally for repeated orders, may also be specified in the form of a price list. In such scenario, each order and Purchase contract must contain a reference to the relevant price list. Changes to the price list shall only be possible upon agreement between the Parties.

## IV. Terms and Conditions of Payment

1. The Buyer undertakes to pay the purchase price based on an invoice issued by the Seller. The original invoice shall be delivered to the Buyer via a regular postal service or it may be emailed to [invoicing@brisk.cz](mailto:invoicing@brisk.cz).
2. The Seller shall be entitled to issue the invoice upon due fulfilment of the delivery. Goods shall be regarded as properly delivered when the delivery is received in time and the delivered goods comply with quality and volume specifications described in the order or in the Purchase contract.
3. The Seller shall send the invoice to the Buyer without undue delay and as soon as the right of the Seller to issue the invoice may be exercised. Invoice sending may also refer to a personal delivery.
4. The invoice must comply with requirements on tax and commercial documents, as defined by valid legal regulations. Among other things, the invoice must contain the name of the goods, type and Buyer's internal designation, the quantity of the goods, complete number or designation of the Buyer's order or purchase contract, the date of taxable supply, date of issue, invoice sending date, delivery certificate designation, and the Seller's bank details.

5. The invoice shall be payable within 60 (sixty) days of the due fulfilment of the delivery, unless otherwise agreed by the Parties hereto.
6. The purchase price shall be paid by a bank transfer to the Seller's account specified in the invoice.
7. A payment shall be regarded as completed, when the relevant amount is withdrawn from the account number of the Buyer.
8. Should the delivery be defective or if the invoice fails to comply with the requirements defined in article IV, Item 4 of the GTCP, the invoice due date shall be extended for the time while the relevant invoice or delivery defects are being removed.
9. Without prior written consent of the Buyer the Seller is not entitled to stop, or forward receivables of the Seller payable by the Buyer to a third party.

#### **V. VAT liability**

1. The bank account where the taxable delivery payment shall be paid must be published by the tax administrator of the Seller no later than before the invoice due date. The publishing must be done in a manner which allows remote access within the meaning of Section 109, item 2, letter c) of the Act No. 235/2004 Coll., on value added tax, as amended (hereinafter the "Reliable account" only) Should the account number where the payment shall be received not be considered a Reliable account, the Buyer is entitled, without undue delay, but no later than before the invoice payable deadline expires, to return the invoice back to the Seller for the purpose of changing the regular account into a Reliable account. In doing so, the Buyer is not in delay with the payment for the taxable supply. When the new corrected invoice is delivered the new payable and due date shall commence. Should the Seller reject to replace the regular account with the Reliable account even after being notified to do so by the Buyer, or if the Seller does not have Reliable account, the Buyer is entitled to pay the amount for the taxable delivery without VAT to the Seller using other account provided by the Seller, including the relevant VAT amount which shall be paid to the tax administrator of the Seller. In such scenario, the actual payment for the taxable supply in the amount exclusive of VAT plus the relevant VAT payable to tax administrator of the Seller, shall be regarded as proper fulfilment of the obligation of the Buyer to pay the taxable supply as well as the VAT amount, and the Seller shall not be entitled to demand the Buyer to pay the VAT amount or any late interest fees, contractual penalties or any other material penalties or compensation for damages related to late payment.
2. Should a domestic Seller specify an account number, where the amount for taxable supply shall be received, the Buyer is entitled without any undue delay after learning about this fact, but no later than before the due date of the relevant invoice expires, to return the invoice back to the Seller for the purpose of changing the regular account into a domestic Reliable account. In doing so, the Buyer is not in delay with the payment for the taxable supply. When the new corrected invoice is delivered the new payable and due date shall commence. Should the Seller reject to replace the regular account with a Reliable account maintained by a domestic bank even after being notified to do so by the Buyer or if the Seller does not have a Reliable account maintained by a domestic bank, the Buyer is entitled to pay the amount for the taxable delivery without VAT to the Seller using other account provided by the Seller including the relevant VAT amount, which shall be paid to the tax administrator of the Seller. In such scenario, the actual payment for the taxable supply in the amount exclusive of VAT plus the relevant VAT payable to tax administrator of the Seller, shall be regarded as proper fulfilment of the obligation of the Buyer to pay the taxable supply as well as the VAT amount, and the Seller shall not be entitled to demand the Buyer to pay the VAT amount or any late interest fees, contractual penalties or any other material penalties or compensation for damages related to late payment.
3. Upon order confirmation, or when a purchase contract is concluded through another manner, the Seller confirms that as of the date the order is accepted or the purchase contract is concluded, the Seller is not an unreliable payer within the meaning of Section 106a of the Act No. 235/2004 Coll., on value added tax, as amended (hereinafter the "Unreliable payer" only). Should the Seller become an Unreliable payer later, the Seller must inform the Buyer about it immediately. Should, at the time when the taxable supply is fulfilled and the information about the Seller specifying that the Seller is an Unreliable payer be published through and manner allowing remote access, the Buyer shall be obligated to pay the amount of the taxable supply excluding VAT to the Seller plus the relevant VAT amount to the tax administrator of the Seller. In such scenario, the actual payment for the taxable supply in the amount exclusive of VAT plus the relevant VAT payable to tax administrator of the Seller, shall be regarded as proper fulfilment of the obligation of the Buyer to pay the taxable supply as well as the VAT amount, and the Seller shall not be entitled to demand the Buyer to pay the VAT amount or any late interest fees, contractual penalties or any other material penalties or compensation for damages related to late payment. Publishing information defining the Seller as an Unreliable payer constitutes a reason for the Buyer to withdraw from the purchase contract.

#### **VI. Delivery terms**

1. The Seller is obliged to deliver the goods duly and within the deadlines specified by both Parties in the Purchase contract.
2. All delivery conditions shall be governed by international rules used for the interpretation of delivery clauses (INCOTERMS 2010) issued by the International Chamber of Commerce in Paris.
3. For the purpose of the Purchase contract the DDP INCOTERMS 2010 specifications apply to goods delivered to the ramp in the manufacturing plant of the Buyer located at Vožická 2068, 39002 Tábor, Czech Republic, unless both Parties agree otherwise.
4. The Seller is obliged to inform the Buyer about the fact that the delivery is ready, and the Seller shall do so by email no later than 3 (three) business days in advance.
5. The Seller is obliged to attach each delivery with delivery documents (bill of lading) which must always contain at least the complete number or designation of the Buyer's order or the purchase contract, date of handover of the goods to the shipper, name, type specification, Buyer's internal designation and number of individual goods, the type and number of packages, means of transportation and confirmation of quantitative checks performed by the shipper upon accepting the goods for the shipment.
6. The Seller is obliged to ensure that the shipper carries out the quantitative checks upon accepting the goods for the shipment and that the shipper confirms these checks in the delivery documents.

### **VII. Containers and packaging materials**

1. Goods are to be delivered on a pallet allowing forklift handling, unless both parties agree otherwise.
2. The pallet must conform to the type of goods, and comply with requirements on safe transportation.
3. Goods must be packaged and transported in a manner which protects the goods from damage by mechanical, weather, and other influences.
4. Packaging must be marked according to an agreement between the Seller and the Buyer, and must always specify at least the following data: Name of the Seller, goods warehouse number of the Buyer, the amount of the goods in the given packaging unit, batch number or numbers in the given packaging unit, purchase contract number (order number of the Buyer). Markings made on the packaging cannot damage the packaging unit including damages during warehousing or shipping.
5. The Seller is obligated to make sure that the used type and material of the packaging and possible return of the packaging unit is done in line with the valid legislature.

### **VIII. Late interest fee, contractual penalties, compensation for damage**

1. Should the Buyer be late with the payment for the purchase price the Seller is entitled to demand the Buyer to pay a late interest fee which shall be established in line with the Government directive No. 351/2013 Coll., which stipulates the amounts of late interest fees and other costs related to debt collection procedures.
2. Should the Seller be late with the goods delivery the Seller shall pay to the Buyer a contractual penalty in the amount of 5% (five percent) from the total purchase price defined in the Purchase contract.
3. Should the delayed delivery be caused by the Seller and should it force the Buyer to stop the production line in the town of Tábor, the Seller shall pay to the Buyer a contractual penalty in the amount of CZK 10,000.00 (ten thousand Czech crowns) for the first hour of the interruption and CZK 5,000.00 (five thousand Czech crowns) for each commenced hour of the interruption.
4. Should obligations defined under article XIV be violated the Parties agreed to issue a contractual penalty for each individual case of violation in the amount defined in the concluded NDA.
5. Provisions on contractual penalties shall not affect the potential liability to pay compensation, which is an independent claim and shall be paid in full.

### **IX. Quality requirements**

1. The Seller is responsible for making sure that the goods are manufactured under a certified quality management system complying with at least EN ISO 9001.
2. The Seller is obliged to manufacture the goods in a certain manner or ensure that the production of the goods complies with applicable quality requirements and technical documentation, approved PPAP, state standards, legislation regulations, and quality norms.
3. Any changes to the goods must be approved in advance by both Parties.
4. Each individual item of goods must be marked, or if the nature of the goods does not allow it, then the entire manufacturing batch must be marked with
  - mark, trademark or logo of the manufacturer,
  - goods (product) identification number,
  - manufacturing code containing at least the date of manufacture which guarantees reverse traceability within the manufacturing process of the Seller - upon request of the Buyer,
  - other markings if required by applicable legal and homologation (approval of technical specifications) regulations, approved technical documentation or by the provisions of the Purchase contract. The marking or identification method as well as the location of the markings approved by both parties - unless it is clear from the approved technical documentation.
5. Before the manufacturing process beginning the Seller is obligated to introduce and use goods monitoring and measuring system used during the manufacturing process or rather to introduce and utilize inspection systems including initial checks of purchased materials, semi-products and parts followed by production inspections and tests and the final inspection of finished products (goods).
6. The Seller is responsible for making sure that the established system of checks and tests performed in the seller's facility creates conditions that will allow the Buyer to release the goods for further processing, assembly or for other use without follow-up checks by the Buyer.
7. Upon request of the Buyer the Seller is obligated to present the Buyer with the used inspection methods. The actual presentation of the inspection methods refers to the presentation of copies or allowing the Buyer to view original documents.
8. The Seller is obliged to keep evidential records of all checks, measurements and tests performed in the course of the goods manufacturing process and as prescribed in the approved documentation. Records shall be archived for a minimum period of 5 (five) years. As for "D" parts records shall be kept for 10 years.
9. "D" part are parts which may endanger human live, safety or seriously endanger environment, or which have a significant impact on the reliability of the final product of the Buyer. "D" parts are marked in technical documentation or in the order, as well as in the Purchase contract.
10. At the Buyer's request the Seller is obliged to submit to the Buyer reports of checks, measurements and tests of goods for verification purposes. This applies to tests conducted in the course of the manufacturing process even if, based on these GTCP or the purchase contract, these protocols are not included in the goods delivery.
11. The Seller is obliged to attach each delivery of goods, with a "Goods quality certificate" as per CSN EN 10204, confirming that the goods correspond with the approved technical documentation and have been released by the Seller for the delivery.

Without verifying the quality of the goods, the delivery cannot be considered as properly fulfilled and the Buyer is entitled to reject to accept the goods. The goods quality certificate may be a part of the delivery documents.

12. Should it be specified in the approved documentation or if agreed by both Parties in the Purchase contract, the Seller is obligated to deliver together with the goods a "Test protocol" showing the results of the relevant tests. Without the protocol the delivery cannot be considered as properly fulfilled and the Buyer is entitled to reject to accept the goods.
13. The Seller is responsible for making sure that goods which are subject to the provisions of Act No. 22/1997 Coll. on technical requirements on products and on revisions and supplements to certain acts, as amended, meet the requirements of relevant technical regulations valid in the Czech Republic and for making sure that the Seller followed procedure when assessing the goods compliance.
14. Upon request of the Buyer the Seller is obligated to issue "EU Declaration of Conformity" or "Declaration of Conformity" for the relevant goods, in line with Article IX, item 12 of these GTCP.
15. The Buyer is entitled to carry out tests and checks of the goods at his own discretion in order to verify the compliance with the agreed quality, properties, and goods parameters.
16. The Buyer is entitled to perform an audit at the premises of the Seller or at any subcontractor participating in any way in the delivery of the goods, to verify whether measures for quality assurance correspond to the needs of the Buyer, whereas the audit may cover the entire system, production process, or product. The Seller is obliged to enable the Buyer to carry out such audit.
17. If, in the course of the audit pursuant to article IX, item 15 of these GTCP, discrepancies are discovered, the Seller is obliged after an agreement with the Buyer, to create and implement a corrective action plan or the Buyer may withdraw from the contract.
18. Subcontractors of the Seller who contributed to the delivery of the goods in any way are subject to the same quality management system requirements as the Seller and the Seller is obligated to make sure that these are observed.

#### **X. Quality warranty**

1. The Seller shall cover the goods with a 24-month (twenty four) quality warranty starting on the date when the final product is delivered to the customer of the Buyer and which includes the goods of the Seller.
2. The maximum length of the warranty has been established at no more than 30 (thirty) months following a successful delivery of the goods to the Buyer.

#### **XI. Liability for defects, claims (goods or quality liability claims)**

1. The Seller is obliged to deliver goods in the quantity, quality and design specified in the GTCP and in the Purchase contract.
2. The Seller is obligated to pack the goods for shipping in a manner described in these GTCP, Purchase contract, technical specification or the packaging sheet and arrange for a safe shipping of the goods to the Buyer.
3. Should the Seller violate the obligations established in Article XI, item 1 and 2 of these GTCP, the goods shall be considered defective.
4. As for defective goods, delivery of different goods than those defined in the Purchase contract shall also be regarded as defective delivery, including discrepancies in documents as defined in the Act 89/2012 Coll., of the Civil Code as amended (hereinafter the "Civil Code"), and as specified in these GTCP and in the Purchase contract.
5. Goods have legal defects if the sold goods are encumbered with the rights of a third party.
6. Liability for damages shall be governed by the relevant provisions of the Civil Code.
7. The delivered goods may be claimed within 10 (ten) business days following the day when the goods are accepted by the Buyer.
8. Claims for defects discovered before the goods or products are processed, including quality guarantees, may be claimed by the Buyer at the Seller in written form without undue delay and after discovering the relevant defects. The written claim requirement shall be regarded as fulfilled when the claim is submitted in written form, via fax or email. The Seller is obliged, at his own expense, to deliver defect-free or missing goods without undue delay, or to repair the goods, or to take such measures so that the continuity of the Buyer's assembly process is not threatened. Negotiations focusing on these issues must begin immediately after the defect claim is received from the Buyer. The Seller is responsible and answers to the Buyer for damage which may come into existence as a result of violating this obligation. The period during which the claimed goods are assessed by the Seller may not exceed 5 (five) business days following the date the defect is reported to the Seller. After this period expires, the Buyer shall be entitled to withdraw from the contract and send the goods back to the Seller at the Seller's expense including reimbursement for the costs of storage.
9. Goods (products) claims e.g. defects discovered while the goods or products are being processed at the plant of the Buyer shall be claimed at the Seller in written form immediately upon the discovery of the defects. The Seller is obliged to remove these defects free of charge or to replace defective goods with defect-free products at his own expense no later than within 5 (five) business days after being notified by the Buyer. At the same time the Seller is also obliged to cover expenses incurred by the Buyer in connection with the processing of the defective products including expenses connected with procedures necessary to identify the goods defects (measurements and analyses or other tests). Costs for processing and identifying defective products shall be billed by the Buyer separately and paid by the Seller based on an invoice with a due date of 30 (thirty) days following the day of sending.
10. Goods (products) defect claims discovered in the course of operations at the Buyer's facility shall be claimed by the Buyer at the Seller in written or electronic form. Within 5 (five) business days following the receipt of the claim notice the Seller is obligated to reply with a written statement on the justification of the claim. Should the claim be justified the Seller shall pay to the Buyer the cost related to processing of the given claim such as for replaced parts, assembly and disassembly of the relevant parts and possibly for other demonstrated cost. These costs shall be paid by the Seller based on an invoice issued by the Buyer payable within 30 (thirty) days after the invoice is sent. Should there be a dispute with regards to the justification of

the claim the Seller is entitled to ask the Buyer to present a professional/expert report or expert opinion prepared by an independent entity and explaining the reported claims. Should, based on the professional report or expert opinion the claim be justified, the Seller is obligated (in addition to honour defect claims under this Contract) to compensate the Buyer for cost acquired in connection with the expert (professional) opinion including other damages and sanctions related to delays and to the actual removal of the reported defects.

11. Should a defect report be received (except for defects concerning the delivered quantity), and if required by the Buyer, the Seller is obligated
  - analyse the cost for the discrepancy and inform the Buyer within 5 (five) business days about accepted corrective measures in the form of a 3D report and within 10 (ten) business days present the Buyer with a complete 8D report.
  - thoroughly test the delivery of defect-free goods and mark the delivery in a manner agreed with the Buyer,
  - isolate all non-conforming parts and parts suspected of non-conformity used during the production process including non-conforming parts stored in the production warehouse and finally, clearly mark these parts,
  - upon request provide the Buyer with documents based on which the defective goods may be traced,
  - observe all test and inspection measures which shall ensure delivery of conforming goods or parts,
  - maintain these corrective measures until the causes for the discrepancies or defects are eliminated and keep these measures in place for the necessary trial period agreed with the Buyer.

## **XII. Part approval and acceptance process**

1. Should the Buyer request so under the periodic goods conformity verification process establishing the compliance with requirements of IATF 16949 or before the beginning of large-series deliveries, the Seller is obligated, at his own cost, to conduct a manufacturing examination process dealing with the approval and release of goods (hereinafter the "PPAP") complying with the level established by the Buyer.
2. Before the commencement of deliveries of "D" part, as specified under article IX, item 9 of these GTCP, it is absolutely necessary that the PPAP is performed at the level established by the Buyer.
3. The PPAP refers to a process which verifies the ability of the Seller to manufacture and deliver to the Buyer the goods in line with mutually approved requirements on technical design and quality including structural changes of the relevant goods (dimensions, material, properties, functional parameters etc.) applied to essential technological processes or when the production process is interrupted for more than 1 (one) year, and in other situations agreed both by the Buyer and the Seller.
4. Samples must be manufactured on machines designated for large-series production and while following applicable procedures, whereas the number of samples and the conditions and deadlines for the sample manufacturing process shall be agreed by both parties separately for each case.
5. Samples delivered by the Seller must be clearly identified and marked together with protocols demonstrating the results of dimension, material and functional tests performed on the samples by the Seller.
6. Goods samples which are subject to Act No. 22/1997 Coll., on technical requirements on products and on revisions and supplements to certain acts, as amended, must be delivered by the Seller together with a copy of "EC Declaration of Conformity" and goods samples subject to homologation requirements based on ECE or EC must be delivered together with the "Homologation certificate (Approval of technical parameters)"
7. The Buyer shall issue a written approval of the goods delivery based on the results provided by the samples and the Buyer shall do so no later than within 30 (thirty) days following the delivery of the samples. Should the Buyer disagree with the delivery of goods based on the results, the Buyer must issue a rejection in the same form and provide explanation for doing so.
8. Should the sample test process be terminated due to the disapproval of the Buyer in terms of the goods delivery then each Party is only entitled to a fulfilment or to rights defined in the agreement on the sample test and proceedings.
9. Successful completion of the sample test proceedings does not automatically constitute an obligation of the Buyer to conclude a Purchase contract with the Seller for the goods delivery.

## **XIII. Liability insurance**

1. No later than on the day when the Purchase contract takes effect, the Seller undertakes to submit to the Buyer a document proving that the Seller carries the necessary Liability insurance policy including policy covering violations of industrial rights of third parties and product damage liabilities and the Seller shall do so within the scope specified by the Buyer as adequate in the particular case. The scope of the insurance policy shall be specified by the Buyer well in advance before the Purchase contract takes legal effect. The insurance policy must also cover damages on entrusted equipment in line with article XVI.
2. The Seller's insurance must remain valid until all claims and rights arising from the concluded Purchase contract, including claims related to quality guarantees, have been settled.

## **XIV. Protection of information**

1. The Seller undertakes to conclude the applicable non-disclosure agreement upon first request (hereinafter the "NDA" only), which shall specify the relevant rights and obligations when handling information.
2. Without concluding the NDA no further negotiations may take place and no information sharing may occur.
3. Confidential information shall remain the exclusive property of the Buyer, even after this information is handed over or made available to the Seller under these GTCP or under the concluded Purchase contract.
4. These requirements defined hereunder and in the concluded Purchase contract shall not impact the obligation of the parties, as the case may be, to provide such information and notices to public and other authorities, especially to courts and the police, where such obligation is specified under generally applicable legal regulations or specified in a final resolution issued on the basis and in line with generally applicable legal regulations.

#### **XV. Industrial rights**

1. The Seller is responsible for making sure that the goods, whether as a whole or as individual components and parts, do not violate industrial or other similar third party rights.
2. A purchase contract does not provide any licence for use, nor does it in any way transfer the right to inventions, patents, industrial designs, utility models, trademarks, company rights, know-how, copyright, or any other form of industrial or intellectual property. Should the Purchase contract interfere with any third party rights, the Seller undertakes to reimburse the Buyer for all damage and cost related to such interference or infringement.
3. Should the goods be manufactured pursuant to technical documentation of the Buyer which the Buyer provided to the Seller for this purpose, or was otherwise made available to the Seller and the Seller has become familiar with this documentation, the Seller is not entitled to manufacture goods according to this technical documentation and deliver these products (goods) to any third party.
4. The Seller is not entitled, as stated in the preceding paragraph, to register or to make the registration of any technical solutions which are contained in the Buyer's technical documentation in terms of industrial or copyright protection, on behalf of any third party.
5. The Seller is obliged to provide written information on the use of all its own patents, utility models, and industrial designs applicable to the relevant goods, including the use of licensed patents, utility models, and industrial designs. The Seller's own or licensed industrial rights to the goods may not exclude or limit the export of the Buyer's final products.
6. The Buyer and the Seller shall inform each other without undue delay about counterfeit products about which either party may learn and shall provide each other with the necessary and adequate assistance with the intention to eliminate the sale of counterfeit products.

#### **XVI. Tools**

1. Tools, measuring instruments and other manufacturing kits, equipment, jigs or instruments provided by the Buyer to the Seller for the purpose of manufacturing the relevant goods for the Buyer or which the Seller manufactured for the Buyer for the purpose of manufacturing the goods and which the Buyer paid for, or is currently paying for, (hereinafter the "Tools" only, may be used by the Seller only and exclusively to manufacture the goods on behalf of the Buyer whereas the Buyer shall provide the Tools free of charge.
2. The Seller shall make sure, at his own cost, that the Tools are properly maintained, lubricated, sharpened and that data information on the Tools are updated, and that wearable parts of the tools are replaced as necessary.
3. The Seller shall always notify the Buyer in writing about the need that the relevant Tools must be repaired above the scope of regular maintenance, or about the need to replace old Tools with new ones.
4. The Seller shall protect the Tools from damage, loss or destruction and only keep the Tools in areas which are adequate in terms of the temperature or technical requirements. Further, the Seller shall not transfer the tools to another location before approved by the Buyer, and shall allow the Buyer (upon his request) to inspect the Tools conditions and how the tools are used.
5. The Sellers is obligated to mark the Tools as the property of the Buyer in the manner agreed by the Buyer, and keep records about the Tools in terms of repairs and life expectancy. Further, the Seller is obligated to send this information and records to the Buyer every six months.
6. In terms of the Tools, the Seller is not entitled to exercise the right of retention against the Buyer.

#### **XVII. Force majeure**

1. Neither Party bears responsibility towards the other Party if it is delayed in the fulfilment of any or all of its commitments, if the delay is caused by circumstances occurring outside of the control of the Party, which refers in particular to fire, storm, flood, earthquake, explosion, breakdown, war, terrorist act, sabotage, epidemic, quarantine restrictions, embargo, etc. (hereinafter the "Force Majeure event" only). The Party whose liability is excluded due to the Force Majeure event is obliged to make the other Party aware of the occurrence of event in writing and without undue delay.
2. If the effects of the Force Majeure event last continuously for more than 3 (three) months, the other Party is entitled to withdraw from the Purchase contract by giving written notification to the Party whose liability is excluded by the effects of the Force Majeure event.

#### **XVIII. Legal disputes**

1. All legal relationships between the Parties arising in connection to or based on Purchase contracts and these GTCP shall be governed by Czech law with the exclusion of the Vienna Convention on Purchase contracts issued in 1980.
2. In the event that the Seller is a domestic subject pursuant to generally binding legislation of the Czech Republic, all disputes arising between the Parties in relation to Purchase contracts and these GTCP, shall be settled primarily through mutual negotiations and in an amicable way. If a specific dispute is not settled within 30 (thirty) days after it originates, the dispute shall be settled at the proposal of either Party by a local court with the necessary jurisdiction.
3. In the event that the Seller is not a domestic subject pursuant to generally binding legislation of the Czech Republic, all disputes arising between the Parties from Purchase contracts and related to these GTCP and providing that these are not settled by mutual discussion between the Parties within 30 (thirty) days after the dispute occurred, shall be settled at the proposal of either Party exclusively and with definitive effect by the Arbitration Court of the Economic Chamber of the Czech Republic and the Agrarian Chamber of the Czech Republic with its registered seat in Prague, Czech Republic, pursuant to its rules and regulations composed by a senate with 3 (three) arbiters, also appointed in accordance with the rules and regulations of this arbitration court. The arbitration proceedings shall be held in Prague in the Czech language.

### **XIX. Closing provisions**

1. Any annexes shall form an integral part of the Purchase contract.
2. A purchase contract may be revised and supplemented in the form of written amendments only. The Buyer reserves the right to unilaterally change these GTCP, whereas the Buyer is obligated to notify the Seller about the change in written or electronic form no later than 15 days before the relevant change takes legal effect. The Seller is entitled to reject the change to the GTCP within 15 days after receiving the notification of the change, otherwise it shall be understood that the Seller agrees with the change. Should the Buyer within 7 days after receiving the rejection of the change from the Seller fail to notify the Seller that the Buyer cancels the change to the GTCP, the Seller is entitled to withdraw from the contractual relationship with the Buyer within 14 days: Should the Seller fail to do so without undue delay and after the above deadline expires, it shall be understood that the change is accepted and no rejections will be taken into account. Until these GTCP take legal effect in line with the rules above, or until the contractual relationship is terminated based on the withdrawal note submitted by the Seller, the current and valid GTCP shall apply.