

General Commercial Terms and Conditions No. 1.8 valid from 1. 4. 2022

General Commercial Terms and Conditions No. 1.8	1
valid from 1. 4. 2022.....	1
1. General – Scope of Applicability.....	3
2. Order – Conclusion of Contract.....	3
3. Price – Transport - Packaging	3
4. Invoice – Due Date – Assignment of Claims	4
5. Delivery Date – Default of Delivery – Sub-deliveries.....	4
6. Quality Control	5
7. Warranty and Titles from Defects in Performance	5
8. Recourse in Relation to Delivery	7
9. Recourse – Insurance	7
10. Invalidity of Limitation/Exclusion of Liability	7
11. Quality	7
12. Rights of Use - Licences/ Rights for Production	8
13. Tools and Templates	9
14. Confidentiality	10
15. Severability Clause.....	11
16. Force Majeure, Withdrawal	11
17. Jurisdiction – Place of Performance – Choice of Law	11
18. Social Responsibility	11
19. Environment.....	12
20. Conflict Minerals	13
21. Use of Chemicals and Prohibited Substances	13

Change No.	Chapter Number and Name	Page	Validity from	Change Implemented by
1.0	Elaboration	1-11	1.4.2011	Vladimír Nuc
1.1	List of Contents, Table of Changes - extension Delivery Date – Default of Delivery Sub-deliveries - Section 5.3 Quality Control - Section 6.1	1 4 4	1.2.2013	Vladimír Nuc
1.2	Quality – Section 11.8	8	6.9.2013	Vladimír Nuc

1.3	List of Contents, Table of Changes - extension	1	1.1.2015	Milan Jiruška Vladimír Nuc
	Civil Code Provisions	2		
	General – Scope of Applicability 1.1	2		
	Delivery Date – 5.2	4		
	Warranty and Titles from Defects in Performance - 7.1, 7.4	5		
	Recourse – Insurance - 9.3	6		
	Quality - 11.8	7		
	Rights of Use – Licences – 12.1	7		
	Confidentiality – 14.1	9		
	Jurisdiction – 17.3	9		
1.4	Quality – 11.3	7	28.5.2015	Miroslav Pavel
1.5	Quality – 11.9	8 9Žit	1.5.2018	Dana Spejchalová Ladislava Šedová
	Jurisdiction – Place of Performance – Choice of Law -17			
1.5	Change of the Charge – 11.7	7	1.5.2018	Roman Kovář
1.5	Quality – 11.8	7	1.5.2018	Dana Spejchalová
1.6	Social Responsibility - 18	10	1.3.2020	Roman Kovář
1.7	Change of the Charge – 11.7	7	1.9.2021	Dana Spejchalová
1.8	Invoice – Due Date – Assignment of Claims	3-4	1.9.2021	Blanka Kovářová
1.8	Social Responsibility – 18	10	1.9.2021	Vladimír Nuc
1.8	Environment – 19	11	1.9.2021	Vladimír Nuc
1.8	Conflict Minerals – 20	12	1.9.2021	Vladimír Nuc
1.8	Use of Chemical Substances and Prohibited Substances	12	1.9.2021	Vladimír Nuc

	Approval/Date: Roman Kovář, Chairman of the Cooperative / 1. 9. 2021
--	--

ASV výrobní družstvo, Školní 71, CZ – 517 01 Solnice

General Commercial Terms and Conditions No. 1.8

Issued in accordance with the provisions of Sect. 1751 of the Civil Code No. 89/2012 Coll.

Introductory Provisions

These General Commercial Terms and Conditions (hereinafter referred to as "GCTCs") form an integral part of the agreements made by ASV výrobní družstvo Company, Business ID No. 47452544, with its registered office at Solnice, Školní 71, Post Code: 516 01, entered in the Commercial Register kept by the Regional Court in Hradec Králové, section Dr, Insert 176 as the buyer or customer, or the customer of work and services (hereinafter referred to as "Customer") on one side, with individual sellers or contractors the work (of fixtures, templates, special tools) and service suppliers (further referred to as "Supplier") on the other side.

Different arrangements in individual agreements made between the Customer and the Supplier will prevail over the wording of these GCTCs.

By accepting the GCTCs the Supplier declares that it has duly acquainted itself with the them and undertakes to follow them and fulfill all the obligations stated therein.

1. General – Scope of Applicability

1.1 These GTCs come into force and effect on 1 April 2022 and are published on the Customer's website www.asv-solnice.cz. The Customer is entitled to change or cancel these GTCs unilaterally at any time. The Customer is obliged to inform about this fact on its website immediately. In the event that the GTCs are changed at the time when an agreement has already been made (the order accepted), the GTCs valid at the time of making of the agreement (the order acceptance) apply.

GTCs apply to all orders placed by the Customer (in writing, electronically, or by fax), under which the Customer is obliged to accept the performance provided that the orders have been accepted by the Supplier.

1.2 GTCs become an integral part of the agreements made between the Customer and the Supplier. All agreements made between the Customer and the Supplier for the purpose of entering into the contracts as well as the contracts must be made in writing. The requirement of written form is also deemed to be fulfilled in the event of legal proceedings made by electronic or other technical means enabling the capture of their contents and determination of the person acting. E-mail means may be used to submit the draft contracts and counterdrafts.

2. Order – Conclusion of Contract

2.1. If an order is accepted in such a way that the Supplier will provide the required performance without confirming it, it applies that the Customer's GTCs have been accepted without reservation.

3. Price – Transport - Packaging

3.1 The contracted prices are fixed prices, unless otherwise agreed in writing over time, and this applies for the whole period of deliveries based on accepted orders.

3.2 Unless agreed otherwise in writing, the price includes the cost of packaging, loading, transport and insurance up to the agreed destination, which is the Customer's registered office, i.e. Solnice, Školní 71 or its plant in Rychnov n. Kněžnou, Pod Budínem 1178.

3.3 If no agreement has been made between the contracting parties as to the packaging and transport, the Supplier is obliged to make sure that appropriate packaging and transport will prevent any adverse impacts on quality of goods and occurrence of any damage on the products. Customer's packaging regulations, which will be specified in the Customer's order or in the contract concluded between the Customer and Supplier, are binding for the Supplier in every case.

If, based on agreement of the contracting parties, the Supplier charges the Customer for the packaging and rental fees of packages, it will only amount to the price for which they have been obtained by the Supplier. The Supplier will provide the Customer with the purchase prices, if the Customer requests so.

3.4 The Supplier undertakes to attach to each delivery a delivery note and the requested or necessary documentation as requested by the order, which must contain the Customer's and the Supplier's names and addresses, their IDs (VAT IDs), order number, Customer's specification of material/product, status of any change of drawing and packaging data (quantity and type), unless expressly agreed otherwise. The Customer is entitled to return any consignments without these data to the Supplier, without payment.

4. Invoice – Due Date – Assignment of Claims

4.1 Invoices / tax documents/ must be delivered to the Customer upon each complete dispatch of delivery (performance), within the period defined by law. If the invoices are delivered before the received deliveries, the day on which the deliveries were given over to the Customer based on the delivery note will be considered the date of their delivery.

The invoice / tax document/ will be sent to the Customer by electronic mail, in PDF format, to the e-mail address: invoices@asv-solnice.cz.

4.2 The invoices (tax documents) will be due 90 days from their delivery, all the requirements for issuing the tax document being fulfilled, unless the order specifies otherwise. In such case, due date specified in the order will prevail.

4.3 The invoice must contain all elements of a tax document required by the law, including the address specified in the order, delivery note number, relevant order number, delivery terms and conditions, quantity and identification number of the product, total price, account number and the bank code to which the payment should be done, and other data specified by legal regulations. The Supplier is liable for any consequences resulting from failure to meet these obligations unless the Supplier proves that such failure was not due to its fault.

4.4 A certificate of acceptance, drawing documentation and 3D data (in a format required by the Customer) must be attached to the invoices for manufacture of the production instruments (tools, gauges, etc.).

The Customer is not in default with payment of the invoice if the invoice has been sent contrary to provisions of Art. 4.3 and 4.4 of GCTCs, until the Supplier has removed such defects.

4.5 The Supplier is not entitled to assign its claims against the Customer to a third person without prior written consent of the Customer.

5. Delivery Date – Default of Delivery – Sub-deliveries

5.1 Delivery date specified in the accepted order is binding for the Supplier. From the point of observation of delivery dates and periods, the moment of delivery to the Customer or the forwarder determined by the Customer will be the decisive moment of delivery of the performance. If the Supplier finds out that the deadlines agreed cannot be met, it is obliged to notify the Customer in writing of this fact without delay, specifying the reason and time of duration of the default.

5.2 If the Supplier is in default with the delivery, the Customer is entitled to request the agreed contractual penalty from the Supplier in the amount of 0.1 % from the invoiced price of delivery for each day of default, but max. 10 % from the invoiced price of delivery. If the delay exceeds 30 days, the Customer is entitled to withdraw from the contract. The Customer is entitled to request from the Supplier, apart from the contractual penalty, also the damages resulting as a consequence of the Supplier's default. Contractual penalty is payable within 10 days from the day of accounting thereof.

5.3 If the Supplier fails to confirm the serial order issued in conformity with confirmed production capacities or if the deadlines agreed in the said order cannot be observed due to circumstances caused by the Supplier, the Customer is entitled to procure a substitute performance from a third person upon expiry of a reasonable deadline determined by the Customer. In such event, the Supplier undertakes to pay the Customer all the cost incurred by the Customer in this respect within 10 days from the day of accounting thereof.

5.4 The Supplier undertakes to perform on the basis of the order at the Supplier's cost and its own risk using its own means and forces. Pursuant to prior Customer's consent, the Supplier is entitled to perform or partially perform through subcontractors provided that the subcontractors (third persons) meet all the terms and conditions imposed by the Customer on the Supplier. Where the performance is provided by a subcontractor, the Supplier's responsibility is the same as if the Supplier performed by itself.

6. Quality Control

6.1 The Supplier is responsible fully for quality of its products/services, incl. its subcontractors. The Supplier is responsible for rendering products/services satisfying all requirements, specifications and drawings used in the automotive industry (unless otherwise agreed), as defined in the order. The Supplier undertakes to enable the Customer to perform the subject control. If any defect is detected thereupon, the Supplier will be notified immediately. Any defects not detected during this inspection will be claimed to the Supplier within a reasonable time after detection thereof (particularly any product quality defects) in terms of subsequent processing of the product by the Customer. In such event it will apply that the Customer has claimed the defects in product in due and timely manner.

6.2 If the delivered goods/products or work are further processed for incorporation into the final product for which the required quality has been agreed between the Customer and its Supplier based on the concluded quality assurance agreement, the Supplier undertakes to become acquitted with the contents of this agreement and to follow the required quality in accordance with this agreement.

7. Warranty and Titles from Defects in Performance

7.1 Liability for defects and the Customer's claims following from defects of the performance provided by the Supplier is governed by the applicable provisions of the Civil Code No. 89/2012 Coll., unless specified otherwise hereinafter.

7.2 The Supplier is obliged to deliver products, goods, services, work in agreed quantity, quality and design and to package these in accordance with agreed conditions. The Supplier represents and guarantees that all the products, goods, services or work supplied by it meet, at the moment of delivery to the Customer, the applicable binding legal regulations in the Czech Republic and the EU, standards and directives of the authorities, professional associations and industrial unions, and that the Supplier is aware of no changes thereof. The same applies particularly in respect of provisions of the environmental protection law valid in the European Union and in the Czech Republic.

The Supplier obliges to inform the Customer immediately about any relevant changes of the above mentioned regulations and standards which the Customer has become aware of and which are to be implemented in the future. If the Supplier breaches particularly the above-mentioned obligations, it applies that the contract has been breached materially and the performance is defective. The contract has been materially breached and the performance (products, goods, work) are defective also in the event that the Supplier delivers other than agreed performance to the Customer or in the event that the Supplier delivers other than agreed performance to the Customer or in the event of defects in documentation necessary for use of the product, goods or work.

7.3 If the Supplier has any doubt regarding the required properties of the goods that should be delivered, the Supplier is obliged to notify the Customer of the same in writing immediately.

7.4 The Supplier assumes the warranty for quality of the provided performance (goods, work, products) for the period of 36 months, which starts running as follows:

- a) from the day of delivery of goods or work that will not be resold, processed into other product, or that will be exclusively used by the Customer, as applicable,
- b) in all other cases from the day on which final product, into which the product or goods have been worked, or the work a part of which the provided performance (work) forms a part, is given over to the final user.

If the Supplier delivers new performance without any defect (goods, product, work) within the right from the defective performance exercised by the Customer, a new warranty period, specified in this article, starts running for the performance in question from its acceptance by the Customer.

The right arising from defective performance does not exclude the Customer's right to compensation of damage and of efficiently incurred costs in raising this right, or the right to contractual penalty, if this has been agreed.

7.5 The contracting parties have agreed that the Customer is entitled to report any hidden defect without undue delay after this could be detected at adequate care by the Customer, but not later than within 5 years after delivery of the performance (goods, product, work). For such case, the second sentence is excluded in section 2112, para. 1, of the Civil Code.

7.6 If the Customer is able to remove defects in product, goods or work by itself, the Customer will inform the Supplier of this fact and after mutual approval the Customer will remove the defects at the Supplier expense.

7.7. If the Supplier fails to meet its obligation exercised by the Customer within the right from the defective performance in a reasonable deadline determined by the Customer, the Customer will be entitled to take measures by himself or have third persons to remove the defects, both at the expense and risk of the Supplier. For the sake of uninterrupted production, the Customer can remove minor defects by itself without prior consent of the Supplier and bill the necessary expenses to the Supplier without causing any breach of the Supplier's legal obligations. The same applies where unusually high damage threatens. The Supplier undertakes to pay the above costs to the Customer within 10 days from the day of accounting thereof.

7.8 Defects in products, goods or work are deemed irremovable where they have already been given over to a third person in terms of further processing and working in. In such event, within the rights from defective performance, the Supplier will remove the defect by providing for a new performance, without any damage, and will refund any cost incurred by the Customer, including the cost claimed by such persons in respect of the Customer. The contracting parties have agreed that the Customer is not obliged to return defective goods, products to the Supplier and it is entitled to liquidate them at the Supplier's cost.

Markets, which are not obliged to return defective products, are all the sales markets for which no obligation to return defective products has been agreed with the Customer's client or where such obligation has been agreed in part only.

7.9 If the Customer refuses any defective goods, products, work or services, as applicable, at their delivery, these will be deemed undelivered and the Supplier will be in default with the delivery thereof.

7.10 In the event of claims regarding defects in the performance delivered (goods, work, services), the Customer is not obliged, until the time of their removal, to pay the part of price that would correspond to the Customer's title to discount in the event that the defects were not removed in time. If the payments for defective deliveries have already been made, the Customer is entitled to require the refund thereof in terms of the applied discount up to the amount of the discount, by which the Customer requests the price to be reduced, or to retain any other payable payments up to the amount of payments for defective deliveries or applied discounts, as applicable. For this period the Customer is not in default with the payment thereof.

8. Recourse in Relation to Delivery

8.1 If any recourse requests are raised against the Customer by the Customer's client and such recourse requests consist in a defect of the goods, product or work delivered by the Supplier, the Supplier undertakes to pay these to the Customer within 10 days from the day of accounting thereof.

9. Recourse – Insurance

9.1 If the Supplier is liable for the damage caused by a defect in product, the Supplier is obliged, on the first demand, to discharge the Customer from any third person's claims for damages. The Supplier is also obliged to refund the Customer for any damage incurred by the Customer in relation to the aforementioned. The option to claim damages from the Supplier comes under the statute of limitation upon expiry of 10 years from delivery of goods to the Customer.

In this respect, the Supplier is also obliged to refund the Customer for any cost resulting from or relating to withdrawal of any product from the client or end user. The Customer will inform the Supplier about the scope and contents of the measure to be taken, giving the Supplier the opportunity to submit its opinion.

9.2 The Supplier undertakes to establish the insurance of liability for damage caused by defect in product with coverage amount in the amount of insurance relevant to the damage as a flat sum for each damage to person/thing and to provide proof of such insurance duly on request. Apart from this, the Supplier is obliged to inform its relevant insurer about its obligation in accordance with section 9.1.

9.3 The Supplier is liable for any consequential damage incurred by the Customer due to reasonable preventive measures against any claim raised from the liability for defects in product or from breach of safety regulations. This applies notwithstanding provisions of sect. 2939 and follow. and of sect.2913 and follow. of Civil Code No. 89/2012 Coll. To provide for reimbursement of such damage, the Supplier undertakes to establish the insurance of liability for damage caused by operation of insurance of liability for damage caused by operation or insurance of liability for damage caused by defect in product and insurance for environmental damage, i.e. for damage to persons, things and property including potential damage to product – property and consequential damage to property as well as environmental damage with minimal coverage in the amount relevant to the damage. The amount of coverage must have double annual maximization and must have worldwide applicability. The Supplier is obliged to prove the existence of such insurance on request.

9.4 If the loss incurred exceeds the relevant amount of coverage or if the insurer refuses to pay its obligation for other reasons, either fully or in part, the Customer's claims for damages against the Supplier will remain unprejudiced thereby.

10. Invalidity of Limitation/Exclusion of Liability

10.1. If the Supplier has limited and/or excluded its liability in its general commercial terms and conditions, such provisions will be ineffective in respect of the Customer. This applies particularly to limitation of liability in the area of default of delivery, culpable breach of, among other things, non-substantial contractual obligations as well as liability for causing material and consequential loss due to negligence as well as liability for compensation of damage to employees, staff, fellow-workers, agents or third parties authorized by the Supplier to fulfil its obligation.

11. Quality

11.1 Processes necessary for production of the product and the materials used for production must meet applicable legal provisions and currently applicable regulations or relevant licensing procedures

as well as the rules and provisions for safety at work, environmental protection and dangerous substance protection regulations. Apart from this, the Supplier is obliged, in respect of any production abroad, to make inquiries about laws specific for the given country and industry and to take them into account and observe them in its deliveries.

11.2 Before delivery of a new product and upon any change of assignment, the Supplier is obliged to submit test reports of the first sample (in accordance with VDA 2 / PPAP) to the Customer with corresponding number of patterns (or subdivided by groups, if appropriate).

11.3 The Supplier is obliged to enclose the delivery note and other documents with each delivery of products, materials, semi-finished products and services. The requested documents will be specified in purchase orders from ASV výrobní družstvo.

11.4 After the Customer has approved the first production samples, the Supplier must not change their appearance, material or production methods without the Customer's written approval.

11.5 Release of the first samples by the Customer does not discharge the Supplier from its liability for conformity of the product with the requirement and from the liability for damage.

11.6 The Supplier is obliged to report any actual or apparent defects and non-conformities of the supplied products to the Customer. Variation procedure must be initiated by the Supplier in order to be able to release such a delivery.

In the event of incidence of a defective delivery, the subsequent activities will always be consulted with the Supplier in writing.

11.7 The Customer is entitled to charge the agreed administrative fee in the amount of 150 EUR to the Supplier in terms of any complaint (right for defective performance) for any performance supplied in terms of a complaint procedure, if not agreed otherwise. If any extra cost caused by defect in supplied product is incurred by the Customer, it will be transferred to the debit of the Supplier who undertakes to reimburse it.

11.8. The Supplier undertakes to keep and improve continuously the quality control system in accordance with ISO 9001:2015 or IATF 16949 and send the copy of certificates to its customers. The Supplier must duly provide for compliance with all requirements of these standards and the compliance must be regularly certified by an accredited organization. The Supplier undertakes to enable the Customer to make a process audit following the Customer's prior request according to VDA 6.3 and related standards.

11.9 The Supplier undertakes to create a functional emergency plan of deliveries in order to avoid any threat to fluency of the Customer's production in the event of any problem.

11.10 The Customer has the right to inspect the Supplier's production, take a sample and perform other necessary investigations. The Supplier must ensure the corresponding right of inspection for the Customer, if production takes place, either fully or in part at the place of a third person commissioned by the Supplier.

12. Rights of Use - Licences/ Rights for Production

12.1 The Supplier guarantees that it is the lawful owner of all necessary intellectual property and industrial rights in respect of the supplied products. The Supplier grants the Customer, in accordance with § 2358 and follow. of the Civil Code No. 89/2012 Coll., a non-exclusive, transferrable right to use the product (licence), unlimited as to time/territory, and the Supplier agrees that the Customer may use and handle the supplied products.

The Supplier grants the Customer all the relevant rights necessary for use of the supplied products, particularly the intellectual property right, patents and all the rights related to industrial patterns.

The Customer is entitled to use the software and documentation pertaining to the products. The Supplier agrees that the supplied products will be sold by the Customer to third persons and the Supplier guarantees that no rights will be breached by proceeding in this manner. If the grant or use of the above-mentioned rights is conditioned by any special registration, the Supplier is obliged to obtain such registration for the Customer. The fee for use of the above-mentioned intellectual or industrial property rights or payment made by the Supplier in relation to this provision of GCTCs is included in the prices agreed. No special fee will be paid for use of the above-mentioned rights. The Supplier undertakes to carry out all necessary actions relating to the above-mentioned obligations. The Supplier undertakes to carry out all necessary actions relating to the above-mentioned obligations. The Supplier undertakes to pay the Customer any damage, which may be incurred by the Customer in consequence of breach of the above-mentioned obligations of the Supplier.

12.2 The Supplier is liable for non-breaching of any rights of third persons – either in home country or abroad – in relation to its delivery.

12.3 If any third person's claims are filed against the Customer in this respect, the Supplier will be obliged to discharge the Customer from any such claims on the first demand; the Customer is not entitled in this respect to make any agreements with the third parties, particularly to execute a settlement, without the Supplier's consent. The Supplier is also obliged to refund the Customer for any damage incurred by the Customer in relation to the aforementioned. The option to claim damages from the Supplier comes under the statute of limitation upon expiry of 10 years from delivery of goods to the Customer.

12.4 Obligation of the Supplier to compensate damage in the event of breach of guarantee specified under 12.1 applies to all expenses incurred by the Customer in consequence of or in relation to exercise of a third person's claim.

13. Tools and Templates

13.1 Operating and production instruments such as tools and templates ("production instruments") made available to the Supplier by the Customer will remain the Customer's property. Such production instruments have to be labelled clearly and visibly. Any production instruments procured, supplied or manufactured by the Supplier and which have been reimbursed by the Customer or depreciated in the price of the product will become the Customer's ownership or the ownership of the Customer's client.

13.2 The Supplier is obliged to have all operating and production instruments specified in section 13.1 insured, particularly against any damage caused by fire, water and theft. At the same time, the Supplier will assign any claims for damages under this insurance to the Customer and the Supplier will be obliged to inform its insurer about such assignment immediately; the Customer hereby accepts such assignment. The Supplier is obliged to provide the Customer with the document – copy of the insurance.

13.3 The Supplier is obliged to perform professionally, at its expense and in time, any maintenance, inspection and repair work on the production instruments according to section 13.1 as necessary, or according to a mutually agreed repairs and maintenance plan. The Supplier is obliged to report any failures no later than 24 hours (on work days) including photo documentation of the failure and scheduled plan for its removal and to proceed immediately according to such plan approved by the Customer. This will not prejudice the right to damages incurred by the Customer in consequence of delay in respect to the Customer's client.

13.4 The Customer will store the production instruments under section 13.1 in order to prevent from any damage thereof. The Supplier is obliged to take care of the vested tools with due diligence.

13.5 Production instruments may be changed with express consent of the Customer only. If the changes have been approved by the Customer, the Supplier is obliged to perform such changes in cooperation with the Customer so that serial deliveries are not endangered.

13.6 The Customer is entitled to check the production instruments at any time based on prior notice to the Supplier.

13.7 If the Supplier breaches its obligations following from GCTCs or if the parties fail to agree on the requirement for change of price for products or a part thereof manufactured with the Supplier's production instruments or on any other matters in terms of performance of the job, the Customer can take away such production instruments and all the related necessary documents from the Supplier. Acceptance will take place in the Customer's office; the Supplier shall bear the cost of the acceptance. Otherwise, the Supplier will be obliged to release the Customer's production instruments to the Customer on request, with exclusion of the right lien.

13.8 Unless agreed otherwise, the Supplier assumes to its debit all necessary repairs and renovation of production instruments as may be necessary for fulfilling the Customer's order. The use of renovated production instrument will require their release for production by the Customer.

13.9. The Supplier must retain any production instruments and documentation not requested by the Customer for the period of 15 years from termination of a series for free. Subsequent liquidation may be carried out with the Customer's consent only.

13.10. In the event that the tools or templates are not the Customer's property but are the so called end-user's property, the Supplier takes over the rights and obligations connected with the end-user's tools and templates manipulation not specified in the present document. The Customer has to notify different rights and obligations on tools and templates manipulation in writing and confirm them mutually.

14. Confidentiality

14.1 In respect of the submitted pictures, drawings, calculations and other documents, the Customer reserves the ownership titles and copyright; these must not be made available to any third persons without prior written consent of the Customer. They must be exclusively used for production based on the Customer's order. The subject information is deemed to be confidential. In the event of breach of this obligation, the Supplier is obliged to pay the agreed contractual penalty to the Customer in the amount of CZK 1,000,000 for each breach of such obligation, payable within 10 days from the day of account.

14.2 The Supplier undertakes to keep confidential any commercial and technical documents, information and data made available to the Supplier in terms of contractual cooperation with the Customers; the Supplier particularly must not disclose them to any third person either explicitly or in a manner allowing for deducing such documents and information; the Supplier however, may use them only for the purpose of fulfilling the Customer's order and make them available to only such persons and fellow-workers, who need to know them in order to be able to fulfil the order. This will not apply in respect of demonstrably publicly known facts.

14.3 The Supplier's sub-contractors, specified in the previous paragraphs, must be obliged adequately.

14.4 The contracting parties may advertise their mutual business relationship with prior written consent of the other contracting party only.

14.5 If the Supplier's performance participates in deliveries to a Customer from the Automotive: it is obliged to protect the data provided to it by the Automotive. If the Supplier is the information security certificate holder, it will present the certificate to the Customer at the beginning of their business partnership.

15. Severability Clause

15.1. If any individual provision of GCTCs is fully or partially invalid, ineffective or unenforceable, it will not affect the validity, efficiency or enforceability of the other provisions.

16. Force Majeure, Withdrawal

16.1 The contracting parties will not be liable for breach of contract provided that such breach is a consequence of force majeure, particularly industrial disputes [with employees], interruption of production without fault of the contracting parties, unrests, interventions by government or any other events out of the contracting parties' control.

16.2 The Supplier is obliged to inform the Customer immediately of any incidence of a force majeure situation.

16.3 If any force majeure occurs, the Customer will be entitled to withdraw from the contract concluded with the Supplier, either fully or in part, provided that such act of God results in significant reduction of demand on the part of the Customer's goods, products or work.

16.4 If any of the contracting parties discontinues payments or its property becomes subject to a bankruptcy procedure or if a petition for extrajudicial settlement is filed, then the other contracting party will be entitled to withdraw from the [so far] unfulfilled part of the contract.

17. Jurisdiction – Place of Performance – Choice of Law

17.1 In accordance with Sec. 89a of the Act No. 99/1963 Coll., of Civil Procedure Code, as amended, the Supplier and the Customer have agreed that the venue of court for any potential disputes of the parties will be governed by the Customer's office entered in the Commercial Register. This, however, applies only to disputes to be resolved before the first-instance court and unless the law specifies exclusive jurisdiction.

17.2 Unless otherwise follows from the order or the contract, place of the Customer's office entered in the Commercial Register is the place of performance at the same time as well.

17.3 Unless specified otherwise, any relationships following from these GCTCs are governed by substantive and procedural law of the Czech Republic, particularly the Civil Code No. 89/2012 Coll., with exclusion of provisions on conflict of the international private law and provisions of the UN Convention on Contracts for the International Sale of Goods.

17.4 The Supplier ensures compliance of the delivered products with the requirements of laws and regulations. It also ensures compliance with the Customer's customer requirements, which are handed over to him in the form of an order, contract or tender production documentation. Compliance with the requirements applies to laws and regulations in the country of adoption, i.e. in the Czech Republic, unless otherwise stated in the order or contract.

18. Social Responsibility

18.1 The Supplier undertakes to act honestly and responsibly to its employees, suppliers and all other interested parties.

The Supplier undertakes to require its business partners, customers, suppliers and other interested parties to adhere to the same ethical principles for work, environment, safety and health.

18.2 Corruption, bribery, violent enforcement, or other unacceptable benefits to customers or to suppliers or other interested parties are not permitted.

18.3 The Supplier undertakes to comply with all applicable legal regulations and compliance with these regulations is systematically checked.

18.4 The Contractor undertakes not to use forced, non-free and child labour. Young workers under the age of eighteen can only be employed to perform safe work and if they have reached the age limit for employing young people in a particular country.

The Supplier ensures that there is no harassment and discrimination in the workplace.

18.5 The Supplier shall apply the rules on the fight against organized crime. Furthermore, it will ensure that access to websites with criminal or potentially criminal content is prohibited. If workers are suspected of being involved in organized crime, the following escalation rules apply.

18.6 The Supplier shall not tolerate discrimination on the grounds of race, colour, age, sex, sexual orientation, ethnicity, disability, religion, political affiliation, trade union membership or family status.

The Supplier shall ensure that no harassment, violent or otherwise inhuman behaviour, nor threatening to do so, occurs in the workplace.

The Supplier shall ensure the wages of employees in accordance with the applicable legislation on wages.

18.7 The Supplier shall ensure a safe working environment supporting the prevention of accidents and minimizing the health risks to which workers are exposed.

18.8 The Supplier shall ensure compliance with applicable environmental protection legislation and, as far as possible, resource conservation and environmental protection.

18.9 The employee has the right to report any violations of the rules set out in this paragraph, including the ethics passage to the workers designated by the supplier. All complaints will be discussed at the management of the company, where for the purpose of adhering to the determined rules, a commission is established to ensure a fair hearing and subsequently to ensure redress.

19. Environment

The Customer believes that sustainable future and protection of our environment can only be achieved through joint efforts of industry and of the government. We have committed to environmental responsibility which leads to sustainability.

To ensure that our products and processes are environmentally sustainable, we expect our Suppliers to:

- comply with all environmental laws and regulations
- apply procedures to all production and non-production activities that
 - o enable waste prevention and promote resource efficiency,
 - o lead to a reduction in drinking water consumption and reduction in waste water amount,
 - o utilize recyclable materials from their own or from external sources,
 - o focus on reducing greenhouse gas emissions,
 - o use energy from renewable sources or use sources with lower impact whenever it is possible.

A higher score in the Supplier's evaluation can be achieved if the Supplier manages the environment in compliance with the ISO 14001 standard and has this documented by a certificate. This certificate may be a condition of nomination for some projects as some end users have applied this requirement in their specific customer requirements.

20. Conflict Minerals

The Customer requires the Suppliers to comply with all laws regarding the responsible purchase of conflict minerals (Dodd-Frank Act). This means a restriction on trade in minerals from war areas, which serves to finance these conflicts. These are mainly sources of **tin, tungsten, tantalum** and **gold**. The Suppliers are obliged to review their supplier chain and to report the use of minerals from the conflict area.

The Supplier has to declare the status of the conflict minerals using the common Conflict Minerals Reporting Template (CMRT). The latest version of the CMRT is available on: www.conflictreesourcing.org/conflict-minerals-reportingtemplate/.

Only the current version of the CMRT, which has to be completed in full, together with a list of all steel mills in the supply chain, will be accepted.

The Suppliers will also require contractually its supply chain to comply with these obligations.

21. Use of Chemicals and Prohibited Substances

The Customer requires the Suppliers to take all appropriate measures for the safe production, processing, transport, use and handling of chemicals that may pollute the environment or cause health or property hazards.

Registration, evaluation and authorization of chemicals must take place in accordance with the REACH regulation ES No. 1907/2006. The Suppliers must provide all required data on chemical substances, including all safety data leaves. When updating them, they must send them without prompting to the Purchasing Department. The Suppliers must ensure that all materials and raw materials used in the supply chain comply with legal requirements as well as requirements from the end users.

This is in particular the area of restriction of dangerous and prohibited substances (EU Directives 2000/53/EG, 2002/525/EG, 2005/63/EG, national laws, EU Directive 2002/95/EG, Global Automotive Declarable Substance List (GADSL)). The Suppliers undertake to enter the data on the materials which are parts of the delivered goods to the IMDS (International Material Data System, see www.mdssystem.com) within the first sampling at the latest and they guarantee the correctness of the entries made by them.

--- End ---