

KYB Manufacturing Czech s.r.o. **GENERAL PURCHASE TERMS**

PREAMBLE

This General Purchase Terms are drawn up in accordance with the Act No. 89/2012 Coll., Civil Code, as amended, and other applicable provisions of the Czech law and are binding for any commercial relations between legal entity entering into commercial relations between KYB Manufacturing Czech s.r.o., having its registered office at U Panasonicu 277, Staré Čívce, 530 06 Pardubice, ID No.: 27082784 in case the company is acting as a buyer of goods or a beneficiary of services (hereinafter referred to as the “**Buyer**”), and any other legal entity (hereinafter referred to as the “**Supplier**”). This General Purchase Terms applies to both the deliveries of goods and the provision of services. The term “goods” includes also services, unless from the nature of the services follows otherwise.

The Buyer is a member of the World Group KYB, which is the world's largest producer of shock absorbers for vehicles and operates the manufacturing facility at U Panasonicu 277, Pardubice, Staré Čívce, PSC 530 06.

The purpose of the contractual relations between the Buyer and the Supplier is to ensure the smooth operation of the Buyer's facilities, unless stated otherwise.

1. THE CONTRACTING PROCEDURE

1.1. All contractual relations of the Buyer are governed by this General Purchase Terms, unless the application hereof is precluded or the provisions hereof are modified by special purchase terms stipulated in the particular contract, Buyer's offer or Buyer's acceptance (unless stated otherwise further in this General Purchase Terms, the term “contract” includes both the contract concluded in writing in documentary form pursuant to the Art. 1.2. hereof, and the contract concluded by acceptance of an offer pursuant to the Art. 1.3. hereof.

1.2. The Buyer reserves the right to conclude any contract valued over CZK 10.000,- in writing in documentary form. Such a contract must be signed by the statutory authority of the Buyer or by a person expressly authorized to sign such a contract. Unless the Supplier expressly declines to conclude the contract in writing in documentary form, the Buyer will assume that the Supplier agrees with such a form of the contract. Until the final version of the wording of the contract is agreed by both the parties, the Supplier can not reasonably expect that the contract will be concluded and the Buyer can terminate negotiations. This provision does not apply to performance of framework contracts between the Buyer and the Supplier.

1.3. If the value of the performance is not higher than CZK 10.000,-, the contract can be concluded by an offer of one party accepted by the other party without any further formal conditions. The offer must contain at least the essentials of the contract that is to be concluded and it must be apparent who does make the offer and to whom it is addressed. On behalf of the Buyer, the following persons make offers or acceptances: managers, directors and employees of purchasing department. Should the offer be made or accepted by any other person, the said person is

overstepping their representative powers. In case of such overstepping of representative powers, the Buyer is bound by the offer or the acceptance only should the Buyer approve it additionally.

1.4. In case the offer is not confirmed or accepted by the Buyer within 14 (fourteen) days from the delivery thereof, the contract is not concluded and the offer expires.

2. BINDING CHARACTER OF THE GENERAL PURCHASE TERMS AND CONFLICTS OF COMMERCIAL TERMS

2.1. This General Purchase Terms are integral part of all contracts the Buyer is a party to and all amendments thereto, as well as of all the designs and/or documents attached thereto.

2.2. Unless agreed otherwise and confirmed by the Buyer in writing, the Buyer is not bound by any of the Supplier's terms that are not compatible with this General Purchase Terms neither by any of the Supplier's terms that in any manner amend or supplement. Should the Buyer not expressly confirm to insist on concluding the contract in the wording of the Supplier's commercial terms or in the mutually compatible wording of both the Buyer's and Supplier's commercial terms.

3. QUALITY OF THE GOODS AND DELIVERY OF THE GOODS

3.1. The Supplier hereby undertakes that he will follow the specifications, designs, drawings, models or samples provided by the Buyer and accepted by the Supplier when manufacturing and delivering the goods or performing services. The Buyer will receive the goods only provided that they comply with the requests set in the specifications, designs, drawings, models or samples and that the goods will be usable for the stipulated, or usual, purpose.

3.2. The Supplier undertakes to deliver the goods in accordance with the general practice in the field and technology accessible to the Supplier.

3.3. The Supplier hereby declares and warrants that goods supplied and/or services will be fully in accordance with the requirements of the legal order of the Czech Republic and applicable provisions of the European law, in particular complying with requirements for usage of the “CE” marking.

3.4. The Buyer reserves the right to modify or amend the subject matter of contracts, specifications, designs, drawings or samples related to the delivered goods. Should these changes result in modification of the goods influencing the purchase price, the Supplier is obliged to inform the Buyer within 10 (ten) days since delivering the request for redesigning the goods. After this period, the Supplier is not entitled to execute any claims with respect of redesigning of the goods.

4. ASSIGNMENT AND SUB-CONTRACTING

4.1. The Supplier may not assign any of his undertakings, performances or deliveries, or any part of them, to a third party without a prior written consent of the Buyer. Violation of this obligation constitutes a substantial breach of the contract.

4.2. The Supplier may not sub-contract any of his undertakings, or any part of it, to a sub-contractor that has not been approved by the Buyer in advance. The terms of the sub-contracting agreement must also be approved in advance by the Buyer. Violation of these obligations constitutes a substantial breach of the contract.

4.3. The Supplier is obliged to include an undertakings of his sub-contractor to perform their obligation in accordance with this General Purchasing Terms into all of the Supplier's sub-contracting agreements. Should the Buyer give his consent with any assignation and/or sub-contracting of the Supplier's undertakings, the Supplier shall not be released from his liability for undue performance.

4.4. The Supplier is not entitled to assign any rights arising from the contract concluded with the Buyer without a prior written consent of the Buyer.

5. PRICES

5.1. The Supplier hereby declares and warrants that the price, as set in the contract, is final, the highest admissible amount for the performance of the contract, including all fees and all other costs relating to the performance of the contract and can be altered only through an amendment to the contract. Any change of the exchange rate of the currency valid in the Czech Republic to any foreign currency does not entitle the Supplier to any change in the price.

5.2. Unless stipulated otherwise, the price includes delivery to the place of destination in accordance with the DDP clause set in the INCOTERMS 2010.

6. INVOICING

6.1. Invoices issued by the Supplier shall be delivered in two counterparts to the financial department of the Buyer and must contain the indication of the contract, including the number of contract or the Buyer's order or the Buyer's confirmation of the order, the indication of the requested goods, the amount of the goods delivered, the prices for the delivered goods the amount of delivered goods, the Supplier's bank account number and must comply with other criteria set by the applicable laws, in particular by the Act No. 235/2004 Coll., on VAT, as amended.

6.2. The invoice will only be accepted by the Buyer provided that it is issued in the stipulated currency.

6.3. In case the invoice does not comply with the requirements of the applicable laws, this General Purchase Terms or the particular Contract, the Buyer is entitled to send it back to Supplier for revision without being in delay with payment. The due period commences on the day of delivery of the invoice complying with all the criteria.

7. PAYMENT

7.1. The invoice issued by the Supplier is payable within 60 (sixty) calendar days since the delivery thereof to the Buyer, unless agreed otherwise.

7.2. Unless agreed otherwise, the Buyer will not carry out any cash operations on delivery of goods.

7.3. If asked by the Buyer, the Supplier must present a bank guarantee to secure due performance of his undertakings under the contract.

7.4. Bank guarantee pursuant to the Art. 7.3. must be issued upon first written request of the Buyer without any provision or condition excluding or limiting the application of this General Purchase Terms. Unless agreed otherwise, the bank guarantee must be issued by a bank operating under the Act No. 21/1992 Coll., on Banks, as amended, and holding a rating of at least BBB+ according to the Standard & Poor's Rating.

7.5. The costs incurred with respect to the issuance of the bank guarantee shall be borne by the Supplier.

7.6. Should the goods delivered by the Supplier not meet the contractual conditions, the Buyer reserves the right to postpone payments for such goods, until the Supplier duly performs his undertakings. This provision does not affect other contractual terms (i.e. the Buyer does not waive his rights to discount etc.). Postponing payments pursuant to this provision precludes the Supplier to claim the late payment interest.

7.7. The Buyer reserves the right to set off its payable receivables against the Supplier's payable receivables. The Supplier expresses its consent with such settlement of mutual liabilities.

8. VAT PAYERS' DUTIES

8.1. Supplier's bank account details published by the tax authority pursuant to the Act on VAT must be stated in all contracts between the Supplier and the Buyer. The Supplier further undertakes to state the said bank account details in every document sent to the Buyer in order to pay the price for the Supplier's performance. The Supplier is obliged to inform the Buyer in writing about any change, also upcoming, without any unnecessary delay.

8.2. In case the tax authority declares the Supplier to be an unreliable payer, the Supplier will inform the Buyer within 24 hours since the delivery of the particular decision without any regard to effectiveness and/or way of delivery thereof.

9. DRAWINGS, DESIGNS, SAMPLES, PATTERNS AND DOCUMENTS

9.1. The ownership title to all drawings, designs, samples, patterns and/or other documents created during the performance of the contract shall belong to the Buyer. Should the drawings, designs, samples, patterns and/or other documents created during the performance of the contract be in any way affected by protection by any intellectual property law provision, the Supplier will irrevocably transfer all such rights to the Buyer, in particular the Supplier will transfer the right of usage in any manner, without any limitation in terms of time or



place. The price for such transfer is included in the purchase price as stipulated in the contract.

9.2. The Buyer reserves the right to approve drawings, patterns, specimens and/or documents produced by the Supplier. The Supplier must hand in the drawings, designs, samples, patterns and/or other documents to the Buyer's approval at least 2 (two) weeks before the Supplier commences the production of goods. This approval does not release the Supplier from its exclusive liability to duly produce the goods according to the Buyer's order.

9.3. All drawings and other documents required for production of the ordered goods, its commissioning, operation, and maintenance must be provided by the Supplier to the Buyer in the term, in the manner, and in the number of copies as stated in the contract.

9.4. The Supplier is obliged to check all the drawings, designs, samples, patterns and/or other documents upon receiving thereof from the Buyer and immediately inform the Buyer of any discrepancy, faults or mistakes found.

9.5. The Supplier undertakes to consider all information imparted by the Buyer during any part of the contracting process or in relation therewith either verbally or in drawings, designs, samples, patterns and/or other documents belonging to:

- the Buyer and/or its parent company and/or affiliated company,
- the Buyer's subcontractors;
- the Buyer's customers

to be strictly confidential and secret.

The Supplier also undertakes not to impart or disclose any such information or part thereof to any third party. All information remains part of the intellectual property and trade secret of the Buyer. Violation of this obligation constitutes a substantial breach of the contract.

9.6. The Supplier undertakes not to use, either directly or indirectly, any information, drawings, designs, samples, patterns and/or other documents belonging to the Buyer to register a patent or other industrial property in any country. The Supplier undertakes not to use such information, drawings, designs, samples, patterns and/or other documents belonging to the Buyer to claim its own proprietary rights. Violation of this obligation constitutes a substantial breach of the contract.

9.7. The Supplier undertakes not to contest or dispute, either directly or indirectly, the validity of any patent, an application for registration of a patent and/or other industrial property granted to the Buyer and/or registered and/or applied for by the Buyer, although not yet granted, nor to aid any third party in such matters. Violation of this obligation constitutes a substantial breach of the contract.

9.8. All drawings, designs, samples, patterns and/or other documents submitted to the Supplier shall be returned to the Buyer no later than 14 (fourteen) days after delivery of the goods in accordance with the respective contract.

9.9. The Supplier undertakes not to copy, alter, or reproduce any of the submitted drawings, designs, samples, patterns and/or other documents in full or in part. The Supplier shall only use them for the purposes of performing the respective contract. The Supplier may not use the submitted drawings, designs, samples, patterns and/or other documents for the production, assembly, commissioning and/or sale of equipment, installation or goods identical or similar in nature as those in drawings, patterns, specimens and/or

other documents for its own benefit or the benefit of a third party. Violation of this obligation constitutes a substantial breach of the contract.

9.10. The Supplier undertakes to adopt all reasonable precautions to protect the drawings, designs, samples, patterns and/or other documents belonging to the Buyer, its parent company, its affiliated company, sub-contractor and/or customer that were handed over to the Supplier from disclosure to third parties. All the cost incurred with respect to these precautions or any insurance costs, if applicable, shall be borne by the Supplier.

9.11. The Supplier is liable for any damage caused to the Buyer, its parent company, its affiliated company, sub-supplier and/or customer, as a result of not adhering to the above mentioned provisions.

10. DELIVERY TERMS

10.1. The Supplier undertakes to deliver the goods or provide services within the time period as specified in the contract. In case the delivery period is not stipulated in the contract, the Supplier is obliged to deliver the goods or provide service within 6 (six) weeks since the contract is concluded.

10.2. Should the delivery be delayed, the Supplier is obliged to inform the Buyer about the delay as soon as it becomes apparent.

10.3. Should the Supplier's inability to deliver the goods within the stipulated period without any responsibility of the Buyer become obvious, the Buyer is entitled to require a new delivery date to be set. This provision does not affect any of the Buyer's claims against the Supplier in terms of Supplier's liability for damages caused due to the late delivery. The delay longer than 14 (fourteen) days constitutes a substantial breach of the contract.

11. INSPECTIONS AND SHOP TESTS

11.1. The Supplier undertakes to provide the Buyer, or its customer's representatives, specialized firms and/or third parties designated by the Buyer with free access to its production facility and those of its sub-suppliers for the purpose of monitoring work progress, inspecting the quality of goods, and supervising shop tests.

11.2. Unless agreed otherwise, shop tests shall be carried out at the Supplier's production facility before the goods is sent to the place of destination. The Supplier undertakes to inform the Buyer sufficiently in advance of such shop tests so that the Buyer can make suitable arrangements for participation. It is the Buyer's decision as to whether it invites a customer representative and/or any other third party to such shop tests. The Buyer's participation in these shop tests shall not release the Supplier from its liability for undue deliveries.

11.3. The Buyer reserves the right not to appear for inspections and/or shop tests. In such cases the Supplier undertakes to carry out such inspections and/or shop tests itself and/or shall invite a specialized firm or a third party designated by the Buyer for such purposes and shall provide the Buyer with a report of such tests, however, no later than with the delivery of the goods.

11.4. No matter whether an inspection or a shop test is carried out, the Supplier is fully liable for due performance

of the contract, especially in terms of compliance of the delivered goods with the contract.

11.5. If statutory and/or the Buyer's technical specifications shall not describe the methods for carrying out the required shop tests, such tests shall be performed in accordance with standard practices in the Supplier's country for the relevant branch of industry. In any case the Supplier shall provide the Buyer with a report for the tests carried out.

11.6. Unless agreed otherwise, the Supplier shall bear all expenses for carrying out such tests, except for the expenses of the Buyer's representatives and/or representatives of Buyer's customers and/or third parties designated by the Buyer associated with participation at shop tests.

11.7. Should the shop test prove the goods to be defective or not complying with the contract during, the Supplier is obliged to remove all such defects, without any delay at its own expense, and without prior notification from the Buyer. In such cases the Buyer shall decide whether shop tests should be repeated. If shop tests must be repeated the Supplier shall bear all relevant costs without exception.

11.8. Any delay with repairing the goods constitutes a substantial breach of the contract. The Buyer reserves the right to remove the defect or to change the faulty goods on the expense of the Supplier.

12. DELIVERY

12.1. Unless agreed otherwise, the goods must be delivered to the place of destination in accordance with the DDP clause set in the INCOTERMS 2010.

12.2. Partial deliveries are not allowed without a prior written consent of the Buyer.

12.3. Immediately after sending the goods to the place of destination, the Supplier shall notify the Buyer about the dispatch of the goods. The notification shall contain indication of the contract, the amount of packages, their content and weight and delivery address.

12.4. Each delivery of goods must be supplied with a delivery note (in two duplicate), which should contain the same information as the notification of dispatch; otherwise the goods shall be returned to the Supplier.

12.5. The Supplier undertakes to adhere to the Buyer's instructions with respect to labeling goods and producing accompanying documentation.

12.6. By signing the delivery note Buyer – its employee, agent, authorized representative for goods acceptance – confirms receipt of the goods without actually approving the quality of the supplied goods.

13. PACKAGING AND TRANSFER OF RISK

13.1. Unless requested otherwise by the Buyer goods must be prepared and packaged in compliance with the nature of the goods, the chosen mode of transportation and the place/country of destination.

13.2. Unless agreed otherwise transport and shipping documentation must be prepared by the Supplier. Shipping costs shall be covered by the Supplier. Shipping costs include packaging, loading, storage, insurance and transportation costs relating to the delivery of the goods.

13.3. Packaging and transportation of goods is carried out at the Supplier's risk.

13.4. With respect to transfer of risk, all contracts the Buyer is a party to are governed by the DDP clause set in the INCOTERMS 2010.

14. ENVIRONMENT PROTECTION

14.1. The Supplier declares and warrants that the goods delivered to the Buyer fully comply with applicable safety and environmental regulations. Should the goods violate any of the said provision, the Buyer may withdraw from the contract. Moreover, the Supplier declares and warrants that the delivery of the goods is in accordance with safety and environmental regulations valid at the point of delivery.

14.2. The Supplier is obliged to secure himself information about peculiarities (layout, activity, transport, operation, etc.) at the place of delivery of the goods and inform the Buyer about such peculiarities.

14.3. The Supplier shall comply with the Buyer's instructions and the internal regulations of the final customer concerning the delivery of the goods and/or provision of services to the final customer's plant.

14.4. Any provision of information by the Supplier to the Buyer according to the Art. 14.2 above does not release the Supplier from any liability.

14.5. The Supplier agrees to indemnify in full and hold harmless the Buyer from all third party claims and/or all sanctions imposed on the Buyer arising out or relating to the Supplier's breach of any of the Supplier's obligation mentioned in the previous paragraphs hereof. The Supplier is fully liable for any damage caused to the Buyer or to the Buyer's customer resulting from the Supplier's breach of any of the Supplier's obligation mentioned in the previous paragraphs hereof.

14.6. The Supplier shall comply with principles of Buyer's Environmental Policy that are accessible at the Buyer's website.

15. TRANSFER OF TITLE

The ownership title to the goods transfers to the Buyer by concluding the contract. Until the goods is delivered to the Buyer, the Supplier has the rights and duties of a custodian.

16. WARRANTIES

16.1. The Supplier hereby declares and warrants that the Goods delivered under this Contract is new and unused, fully functional and usable in the Czech Republic, that the Goods is of the quality and design stipulated herein, without any material, construction, manufacturing, design or other defects, without any legal defects and that the Goods comply with all the applicable provisions of Czech law, in particular with all the provision of the Act No. 185/2001 Coll., on Waste Disposal, as amended and the Act. No. 477/2001 Coll., on Packaging, as amended. The Supplier hereby further declares and warrants that the goods comply with general practice and accessible technology.

16.2. The warranty period shall be 24 months and shall commence on the day the report on delivery and receipt according is signed. The Supplier hereby declares and

warrants that the Goods will remain usable for the stipulated, or usual, purposes thereof and that it will maintain stipulated, or usual, qualities thereof during the warranty period. The Supplier is liable for any fault of the Goods that occurs during the warranty period.

16.3. Within the warranty period, the Supplier undertakes to start work aimed at removing a defect at the latest within 24 hours after the Buyer's claim has been lodged, unless agreed otherwise. The defect shall be removed as soon as possible, no later than in 5 (five) working days after the delivery of Buyer's claim.

16.4. If the Supplier does not remove the defect within the period specified in the preceding paragraph, the Buyer is entitled to remedy the defect at the expense of the Supplier alone or by a third party. Defect removal procedure under this paragraph shall not affect to the running of the warranty period or rights of Buyer to the guarantee under the contract between the parties.

16.5. In accordance with the warranty, the Supplier shall bear all the costs to carry out the necessary repairs or changes of the goods.

17. FAULTY PERFORMANCE CLAIMS

17.1. The Supplier undertakes to deliver the Goods in the product range, in the amount, quality and by the time stipulated in the contract and this General Purchase Terms. Should the Supplier fail to do so, the goods is defective. Faults in user's guides (manuals), certificates or faults in packaging shall be also considered to be faults of the Goods. Should the goods not comply with criteria expressly stipulated in the contract, such a fault constitutes a substantial breach of the contract.

17.2. The Supplier is liable for any fault the goods suffer from at the moment of transfer of risk, even though the fault occurs later. This provision does not affect Supplier's warranty obligations.

17.3. The parties agreed that when lodging a warranty claim, the Buyer can request:

- free removal of the defect by delivery of new product or by reparation;
- discount from the purchase price.

The choice of the particular claim rests with the Buyer, who will announce it when lodging the warranty claim.

17.4. In case the Buyer requests reparation of the defect, the Supplier is obliged to repair the defect within 30 (thirty) days since lodging the claim. If the Supplier does not remove the defect within the period specified in the preceding sentence, the Buyer is entitled to remedy the defect at the expense of the Supplier alone or by a third party.

17.5. The Supplier agrees to indemnify in full and hold harmless the Buyer from all third party claims and/or all sanctions imposed on the Buyer arising out or relating to faults in goods delivered by the Supplier. This indemnification applies also to faulty instructions given by the Supplier's employees relating to assembling the goods and/or putting the goods in operation.

17.6. In case of a fault impossible to remove by repair or replacement in delivered goods appears, the Supplier agrees to indemnify in full and hold harmless the Buyer from all expenses incurred in relation with the fault, in particular from the expenses of sorting out the goods. Such

indemnification shall follow the prices of sorting out effective on the day the sorting out is carried out. Should it be necessary to sort out also the complete products manufactured by the Buyer, the Supplier agrees to indemnify and hold harmless also from expenses incurred in relation with sorting out the products of the Buyer by the Buyer's customer. This indemnification shall also follow the prices of sorting out effective on the day the sorting out is carried out. The Supplier agrees to indemnify and hold harmless also from any and all third party claims and/or all sanctions imposed on the Buyer arising out or relating to the sorting out the products by the Buyer's customer.

17.7. The warranty period pursuant to the Art. 16.2. hereof shall be prolonged by the period of time during which the Buyer was unable to duly use the goods. A new warranty period pursuant to the Art. 16.2. hereof shall apply to the repaired goods and shall commence on the day of delivery of the repaired goods to the Buyer.

18. INSURANCE

18.1. The Supplier is obliged to secure, keep and pay liability insurance with an insurance limit corresponding to the subject matter of the Supplier's contract with the Buyer. The insurance shall be kept valid and effective since the contract between the Buyer and the Supplier is concluded until the warranty period lapses. In case the insured event occurs, the Supplier shall immediately carry out all necessary steps with respect to the insurer. Violation of this obligation constitutes a substantial breach of the contract.

18.2. The Supplier shall present the Buyer with an insurance certificate issued by the insurer confirming that an insurance complying with this article is valid and effective.

19. OBLIGATIONS UNDER THE ACT ON EMPLOYMENT

19.1. The Supplier undertakes that all of his employees or any other person he uses to perform this Contract in the premises of KYB Manufacturing Czech s.r.o. at U Panasonicu 277, Pardubice – Staré Čívce, ZIP Code 530 06, shall comply with the requirements and duties required by applicable legal regulations of the Czech Republic, in particular with the regulations set by the Act No. 435/2004 Coll., on Employment, as amended (e.g. to carry with themselves a valid work permit, valid residence permit or visa, copy of Employment contract or any other contract etc.).

19.2. The Supplier agrees to indemnify in full and hold harmless the Buyer from all third party claims and/or all sanctions imposed on the Buyer arising out or relating to the Supplier's breach of any of the Supplier's obligation mentioned in the previous paragraph hereof.

20. INTELLECTUAL PROPERTY AND TRADE SECRET

The Supplier hereby declares and warrants that the delivered goods will not violate or limit any intellectual property rights and/or trade secrets of third parties. The Supplier agrees to indemnify in full and hold harmless the

Buyer from all third party claims and/or all sanctions imposed on the Buyer arising out or relating to the Supplier's breach of this warranty. Violation of this obligation constitutes a substantial breach of the contract.

21. CONFIDENTIALITY

21.1. The parties are aware of the fact that in the course of their negotiations on conclusion of the contract as well as during performance thereof, they might or may provide each other, intentionally or by negligence, with information that is considered confidential (hereinafter referred to as the Confidential Information). Such Confidential Information shall be deemed to be trade secret of the parties. The parties undertake neither to disclose such information to any third party nor to use it for their own needs contrary to its purpose.

21.2. The parties shall keep confidential any information they obtain in the course of the activities carried out on the basis of the contract, shall keep business and operational secret, about which they have been informed due to the contractual relationship. This provision shall also remain in force even after the contract is terminated due to any reason including withdrawal.

21.3. The Confidential Information shall mean, in particular, technical specifications and data on the purchase price of the goods, the subject matter of the contract and also any pieces of information and documents which are or might be part of the business secret. The parties hereby declare expressly that they are aware of the fact that the pieces of information and documents mutually provided in any form may be characterized as business secret and form their know-how, and they undertake to keep such pieces of information or documents confidential and not to disclose such pieces of information or documents to third parties in any form without having been granted the consent by the other party.

22. PUBLICITY

Deliveries and work carried out by the Supplier for the Buyer shall not be the subject of advertisements or publishing by the Supplier (articles, photographs, films, advertising boards, Internet pages, etc.) without the prior written consent of the Buyer. Should the Supplier breach this obligation, the Buyer is entitled to remove any advertisement or publication at the Supplier's expense.

23. CHANGES AND TERMINATION OF THE CONTRACT

23.1. No matter whether the Supplier is in delay with his performance, the Buyer is at all times entitled to:

- a) alter the delivery date or
- b) alter the amount of goods ordered.

23.2. In case of alteration of the delivery date or the ordered amount, the Buyer will reimburse the Supplier the incurred loss in the amount that the Supplier is able to prove; however, lost profits shall not be reimbursed.

23.3. The Buyer is entitled to withdraw from the contract, should the Supplier breach the contract substantially.

23.4. Alteration of the delivery date or the ordered amount, as well as the withdrawal from the contract will be delivered to the Supplier in writing.

23.5. The Buyer is furthermore entitled to withdraw from the contract in case that:

- the Supplier is, in spite of a written notice sent by the Buyer, in delay with fulfillment of his obligation under the contract or this Buyer's General Purchase Terms;
- the Supplier does not remedy his violation of the contract or this Buyer's General Purchase Terms in spite of a written notice within the given period of time.

23.6. In case of the withdrawal from the contract, the parties will return each other everything they performed within 30 (thirty) days since the withdrawal.

23.7. The Buyer is entitled to retain goods until the Supplier does not return the purchase price and does not pay the contractual penalty. The Buyer is obliged to duly care about the retained goods. The Buyer is entitled to store the goods with a custodian and do have the right to reimburse the incurred expenses.

23.8. A written report on return of mutual performance shall be signed by both the parties. The Supplier shall bear the costs of transportation of the goods after the withdrawal. Should the Supplier be in delay with receiving the goods, including the situation when the goods is retained pursuant to the previous paragraph, the Buyer is entitled – after prior written notice – to sell the goods on behalf of the Supplier. The Buyer will provide the Supplier with a reasonable period of time, no shorter than 5 (five) working days, to receive the goods. The Buyer should use yield of the sale, if any, to cover his expenses incurred due to the Supplier's delay. The rest of the yield must be remitted to the Supplier within 30 (thirty) calendar days since the withdrawal from the contract. If the Buyer does not manage to sell the goods within 90 (ninety) days since the withdrawal and the Supplier is still in delay with receiving the goods, the goods shall be deemed to be refuse and the Buyer is entitled to dispose with it as such. The refuse disposal cost shall be borne by the Supplier. Nothing in this article affects the right of the Buyer to claim contractual penalties.

24. CONTRACTUAL PENALTIES

24.1. In case the Supplier is in delay with repairing defects of the goods, the Buyer is entitled to contractual penalty of CZK 1.000,- for each day of the delay.

24.2. In case the Supplier violates his obligations in a manner that constitutes a cause for withdrawal, the Buyer is entitled to a contractual penalty of CZK 100.000,- for each particular violation, irrespective of whether the Buyer withdraws from the contract.

24.3. In case the Supplier violates its obligations relation to Art. 9 and Art. 20 hereof, the Buyer is entitled to a contractual penalty of CZK 1.000.000,- for each particular violation.

24.4. In case the Buyer is in delay with payment of payable, duly issued and delivered invoices, the Supplier is entitled to a late payment interest pursuant to the Government Regulation No. 351/2013 Coll., as amended.

24.5. The execution of any claim to contractual penalties does not affect liability for damages.

25. RELEASE FROM THE OBLIGATION OF THE REIMBURSEMENT

25.1. The obligations of the reimbursement shall be relieved from party that broke contractual obligation should the party prove that fulfillment of its obligations under the contract was temporarily or permanently prevented by the extraordinary and unpredictable, insurmountable obstacle arose independently of their will. However, any barriers stemming from personal circumstances of the violating party or incurred during the time when the party was in delay with the fulfillment of contractual obligations and barriers that the violating party should have been able to overcome herself, the obligation to compensate shall not relieve.

25.2. The party shall notify the other party of occurrence and impacts of such the barriers and shall confirm it in writing or by fax within 5 (five) calendar days. If the delay caused by the barriers lasts more than 6 (six) months, the Contracting Party that has been notified of such circumstance shall be entitled to withdraw from the Contract.

26. APPLICABLE LAW AND PROROGATION

26.1. The contract between the parties shall be governed by the laws of the Czech Republic, in particular by the applicable provisions of the Act No. 89/2012 Coll., the Civil Code, as amended.

26.2. All disputes between the Buyer and the Supplier arising from the contract should be decided by the court having the general jurisdiction over the Buyer.

27. CHANGES TO THE GENERAL PURCHASE TERMS

27.1. The Buyer reserves the right to modify this General Purchase Terms at any time. The Supplier shall be notified about any modification thereto in writing.

27.2. The Supplier has the right to decline the modification within 14 (fourteen) days since the notification and terminate the contract on the grounds of the modification with a notice period of 2 (two) months. Until the notice period lapses, the Supplier is obliged to perform the contract within the original meaning of this General Purchase Terms.

27.3. Should the Supplier not execute his right to decline the modification, the new wording hereof comes into effect on the fifteenth day since notification of the Supplier.

28. FORM OF LEGAL ACTS AND DELIVERY OF DOCUMENTS

28.1. In case this General Purchase Terms require a written form of the particular legal act, such form is maintained also if the act is conducted electronically via e-mail. This does not apply to acts that must be conducted in documentary form.

28.2. All documents shall be delivered to contact data listed in the contract.

28.3. Fax messages sent to the other party shall be considered to be delivered if the result of the fax message indicated at the end thereof is OK. E-mails sent to the other party shall be considered to be delivered if a confirmation of receipt is sent back to the sender. In other instances, the documents shall be considered to be delivered on the tenth day since their dispatch pursuant to Art. 27.3 hereof.

29. FINAL PROVISIONS

29.1. Should any provision of the contract be or become invalid, void or ineffective, this shall be without prejudice to the validity, voidness or effectiveness of the contract as a whole or any other provisions herein, provided that such invalid, void or ineffective provision is separable from the remaining provisions of the contract. The parties undertake herein to replace any such invalid, void or ineffective provision with a new valid and effective provision with contents and meaning best corresponding to the contents and meaning of the original provision hereof within the period of 30 (thirty) days since the day one of the parties learns about such invalid, void or ineffective provision or since the day the invalidity, voidness or ineffectiveness of the provision is revealed.

29.2. The Supplier undertakes to acquaint with the Buyer's workplace safety policies and to sign the internal directive No. P08.016 Workplace Safety and Fire Protection Regulations at KMCZ.

29.3. The rights and obligations of the parties arising from the contract shall transfer to their successors.

29.4. The contract can be altered only by written amendments continuously numbered in ascending order signed by both parties.

29.5. Pursuant to the Sec.1765 (2) of the Act. No. 89/2012 Coll., the Civil Code, as amended, the Supplier hereby assumes the risk of changes in circumstances that could arise in the future, and will have no right to call the Buyer to resume negotiations on the contract.

29.6. Both the parties affirm that the consideration is not grossly disproportionate to either of them. In the cases where the consideration might appear grossly disproportionate to a third party, the distribution of rights and duties result from the special relationship between the parties.

29.7. By accepting this Buyer's General Purchase Terms the Supplier expresses his consent with the content hereof and confirms that no provision contained herein is not non-expectable to the Supplier

30. ACCEPTANCE OF THE BUYER'S GENERAL PURCHASE TERMS

By concluding a contract with the Buyer, the Supplier declares to having read and accepted this General Purchase Terms in full.