

Purchasing Terms and Conditions

I. General / Scope of Validity / Execution of Contract / Contract Amendments

1. The Parties have agreed that the General commercial conditions of REINERT Czech (hereinafter the "**Purchasing Conditions**") shall apply exclusively to the relationships between the Supplier and the company REINERT Czech s.r.o., with its seat in Liberec 23, Ampérova 493, postal code 46208, Czech company ID: 254 66 445, entered in the Commercial Register held by the Regional Court in Ústí nad Labem, Section C, Inset 19416 (hereinafter "**REINERT Czech**" or the "**Principal**"). Contradictory or differing conditions of the Supplier / Manufacturer shall not apply unless the company REINERT Czech has expressly agreed in writing to their use. The Purchasing Conditions shall also apply if the Principal accepts the delivery without any reservations and with the knowledge that the terms and conditions of the Supplier / Manufacturer are in conflict with the Purchasing Conditions.
2. The Purchasing Conditions shall only apply to business enterprises in accordance with section 1751 of Act No. 89/2012 Sb., Civil Code (CC).
3. The Purchasing Conditions shall apply to all future deliveries / works carried out by the Supplier or Manufacturer for the Principal.
4. Any and all agreements between the Principal and the Supplier / Manufacturer shall be made in written form. Delivery instructions shall only be possible in writing or by remote data transfer.
5. Employees of the Principal shall not be authorized to make any verbal agreements or give assurances that exceed or change the scope of the written contract.
6. An order shall be deemed accepted unless the Supplier / Manufacturer has made objections within two working days of delivery thereof.
7. Delivery instructions shall become binding unless the Supplier / Manufacturer has made objections within two working days of delivery thereof.
8. The requirements for the Supplier / Manufacturer are set forth in the ISO 9001 or IATF standards. In addition, the Quality Assurance Agreement (QSV) shall apply, unless otherwise agreed in particular cases.
9. The Supplier / Manufacturer shall not be entitled to any reimbursement of costs, unless expressly agreed otherwise.

II. Scope and Extent of Deliveries / Works

1. The information concerning the type, quality, size, quantity, extent, etc., of the supplies/works as specified in the Principal's order shall be binding and must be strictly observed by the Supplier / Manufacturer.
2. Values found by the Principal during the incoming inspection shall be decisive for the number of pieces, dimensions and weight, and the Principal reserves the right to make evidence in another way.
3. Any deviations from contracts and orders shall only be accessible with the prior written consent of the Principal.
If applicable with respect to the interests acceptable for the Supplier / Manufacturer, the Principal shall be entitled to request within the supplies/works any changes in construction and design, and shall pay the Suppliers / Manufacturers any additional costs incurred as a result of changes in the construction and design, and on the contrary, in the case of proven lower cost, the difference, if any, will be reimbursed to him.
4. The Supplier must unconditionally observe the time windows in which the delivery instruction for supplies / works (i.e., in terms of their quality, quantity and construction) is binding. The Principal shall not be obliged to accept any delayed deliveries/works or unplanned partial or increased deliveries unless he has provided his express consent or the takeover of any delayed, increased or partial delivery is requestable.
5. Unconditional acceptance of delayed deliveries or works shall not mean that the Principal has waived his entitlement to compensation for damages which belongs to him as a result of late delivery.

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III. Prices/Payment Terms

1. The specified price in the order shall be binding. Unless otherwise agreed in writing, the Purchase Price of the delivery of components shall mean "paid to destination" including packing. A request for the return of containers shall require a special agreement. The Price shall be exclusive of value added tax.

Unless otherwise set forth in writing, the Principal shall pay the invoices either with a discount of 3% within 30 days of receipt of the goods, acceptance of the goods without reservation and receipt of the invoice or net within 60 days from receipt of the goods, acceptance of the goods without reservation and receipt of the invoice. The invoice must be sent in duplicate to the address of the Principal's seat, Ampérova 493, CZ-462 08 Liberec 23. The invoice must refer to the order / delivery instruction number, SM-S product number, and delivery note number. These data are necessary for payment of the invoice.

3. The Principal reserves the right to set-off and right of retention in the statutory extent. In particular, the Principal shall be entitled to settle claims of the Supplier / Manufacturer with notice of a debit or credit note.

4. The Supplier / Manufacturer shall not be entitled, without the prior written consent of the Principal, to assign his claims against the Principal to any third parties or to let a third party collect the receivables. The Principal, however, may not unreasonably withhold his consent. In the event of extended reservation of the ownership title, it shall be deemed that the consent was given.

IV. Dates

1. The dates specified in the delivery or delivery instruction forecasts shall be binding and must be strictly observed. The day of delivery of the goods to the Principal's plant shall be decisive for assessing compliance with the delivery date or delivery period. Unless the delivery is agreed as "paid to the destination", the Supplier/Manufacturer is obliged to prepare the goods for collection in a timely manner with regard to the time usually required for loading and dispatch.

2. Upon deliveries / works according to the scheduled delivery plan / delivery instruction forecast, the delivery or manufacture must proceed in accordance with the delivery instructions based on the Principal's delivery plan. The manufacturer should not produce goods in excess of the delivery instruction forecast, so that changes can be made with the manufacturer at any time on the still unprocessed material in the event the Principal requests any changes conditional to any design modification.

3. If any circumstances occur or if the Supplier predicts the emergence of circumstances that will prevent him from complying with the agreed delivery dates or quality of delivery, he shall be obliged to forthwith inform the Principal thereof in writing.

4. If the Principal is unable, due to unforeseen events, such as force majeure, labor disputes, operational disruptions of any kind, reduction of own needs as a result of reduced purchases by the Principal's customers, etc., to observe receipt of deliveries / works according to the delivery plan, the Principal shall be entitled to adjust the delivery plan appropriately without entitling the Supplier / Manufacturer to any compensation or increased price.

V. Delay / Contractual Fine

1. The Principal shall have legal claims and rights in the event of any delay in the delivery. In case of delayed delivery, the Principal shall be entitled to legal claims and rights. If a contractual penalty is agreed in the order in the event that the Supplier / Manufacturer fails to fulfill his obligations properly and in due time, the Principal may request a contractual penalty until the day of final payment irrespective of whether he has or has not reserved the application of the contractual penalty upon receipt of the delivery. This shall not affect the entitlement to compensation for damages.

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VI. Quality Requirements / Guarantee Period / Documentation

Characteristics of the deliveries / works will be agreed upon between the Principal and the Supplier / Manufacturer. The Supplier / Manufacturer shall guarantee, i.e., shall be responsible irrespective of his fault that the products supplied / manufactured by him were developed and produced from high-quality and appropriate materials, according to the latest state of the art, and they are brand new. The deliveries / works must strictly comply as far as material and workmanship with the order and relevant drawings and meet the requirements of the standards; all substances contained in the products delivered, as well as the volumes of deliveries, must meet the requirements of European Union Directive 2000/53 /EC on end-of-life vehicles. The Supplier/Manufacturer undertakes to work with the IMDS system or at least to complete the form "Content of Substances in Additionally Purchased Components" and to enclose it with the first samples. For information about the IMDS system, see the website www.mdsystem.com. The Supplier/Manufacturer undertakes to continuously perform inspections of processes and final inspection and to elaborate understandable and verifiable documentation on the inspections, and is obliged to submit it upon request. The Supplier shall be obliged to retain the documentation for a period of 18 years and, if needed, present it to us. When ordering materials or parts that are supplied for the first time, the supplier must provide the Principal, prior to the final production / shipment, a reference sample for testing and approval. The production cannot be initiated without the final written confirmation of the Principal.

VII. Passing on of Risks / Dispatch

The Manufacturer / Supplier shall bear factual risk until acceptance of the goods by the Principal or his authorized person at the point of delivery, which is the Principal's seat, unless explicitly stated otherwise. The Principal reserves the right to pre-define the method and type of dispatch, the means of transport, the carrier and the packing. Unless otherwise agreed, the Supplier must select the most cost-effective method, volume of transported goods, and method of dispatch and packing adequate to the length of the transport route. If an "ex-factory" delivery is expressly agreed or the Principal collects the goods by himself, the factual risk shall pass on to the Principal upon loading of the goods onto the Principal's vehicle and securing the cargo, or, in the case of transport by a carrier, upon loading onto the carrier's vehicle and securing the cargo.

VIII. Goods Inspection

The goods will be taken over after an inspection of the soundness of the delivery, in particular after inspecting the correctness, completeness and appropriateness of the products. For the incoming inspection, which is performed by the Principal, the provisions of the special Quality Assurance agreement shall apply as entered into between the Principal and the Supplier / Manufacturer. If no quality assurance agreement has been concluded which would regulate the implementation of the incoming inspection, the Principal shall be obliged to inspect the goods within a reasonable time. Sections 2103, 2104, 2111 and 2112 of the CC are hereby excluded.

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IX. Defect Liability

1. The Principal shall be fully entitled to legal claims arising from defective performance. The Principal shall be entitled to request from the Supplier, at his discretion, the removal of defects or a new delivery of defect-free goods. The Supplier / Manufacturer shall be entitled to refuse the method of alternative performance if the requirements under section 2566 of the CC have been met. The Principal's entitlement to damages, especially the right to damages in lieu of performance, shall not be affected. In urgent cases (in particular, upon any risk of delay or to reduce the extent of damage, e.g., due to the cessation of production at the customer), the Principal shall be entitled, upon agreement with the Supplier / Manufacturer, to eliminate the defects by himself or to appoint a third party at the expense of the Supplier / Manufacturer.
2. The limitation period for claims resulting from material defects shall be 36 months from the passage of the risk, unless the said product will be incorporated into another object, in accordance with its common use, and cause its harmfulness. The limitation period for claims arising from legal defects shall be 10 years. In case of legal defects, the Supplier / Manufacturer shall exempt the Principal from any potential claims of third parties that will be applied against the Principal.
3. If the Principal asserts any claim for defects during the limitation period, a new limitation period shall commence for the repaired products at the moment the Supplier fully meets the Principal's entitlement to alternative performance.
4. If the Principal incurs any costs due to a defective delivery, in particular, transportation costs, travel costs, labor costs, costs of material or costs of inspection exceeding the amount of usual costs of the incoming inspection, these costs shall be borne by the Supplier/Manufacturer. If a defective delivery has already been processed, the Supplier/Manufacturer shall be obliged to compensate the costs of disassembling and resending the defective products.
5. If the Principal is forced, due to defective products supplied by the Supplier / Manufacturer, to recall any goods manufactured and/or sold by the Principal, if the Principal's customer reduces the purchase price due to the reasons mentioned above, or if the Principal is affected in any other similar way, the Principal reserves the regression right against the Supplier / Manufacturer, wherein the claims of the Principal resulting from the defects shall be exempted from any limitation periods for their application, which must otherwise be observed.
6. The Principal shall be entitled to request from the Supplier compensation for expenses incurred in relation to any indemnification or satisfaction of the customer who has asserted a claim for damages against the Principal, in particular transport costs, travel costs, labor costs and material costs. Irrespective of the provisions of section IX.2, the limitation of action in the cases referred to in sections IX.5 and IX.6 shall occur no earlier than two months from the moment the Principal satisfies the claims of his customer who has asserted any claim for damages against the Principal, however, no later than 5 years after delivery of the product by the Supplier / Manufacturer. If any factual defect appears within six months after passage of the risk, there is a presumption to be applied that the defect existed already upon passing on the risk, unless such precondition contradicts the type of product or type of defect.

X. Product Liability and Recall of Goods

If the customer asserts his product liability claims against the Principal, the Manufacturer / Supplier shall be obliged to exempt the Principal from these claims if the damage was caused by a defect in a product supplied by the Manufacturer / Supplier. In the case of liability regardless of the fault, the previous rule shall only apply if the fault is on the Manufacturer's / Supplier's part. If the Manufacturer / Supplier is responsible for the defect, he shall also have the burden of proof. As part of his obligations under the previous paragraph, the Supplier shall assume any and all costs and expenses incurred by the Principal, including the cost of legal proceedings or the recall of goods. The Principal shall

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inform the Manufacturer / Supplier, as far as possible, about the content and scope of measures during the recall of goods, and we will give him the opportunity to express his opinion. Legal provisions shall apply regarding other matters.

The Manufacturer/Supplier undertakes to take out product liability insurance for a minimum coverage amount of at least EUR 2,000,000.00 for any damage to health, loss of life or material damage (per individual case) and for a minimum coverage amount of EUR 50,000.00 for damage to property (per individual case). This insurance must be valid throughout the lifetime of the relevant contract with the Manufacturer / Supplier, and at least until expiry of the limitation period for claims for defects. The Principal's claims in excess of the insured sum shall remain unaffected. The Manufacturer / Supplier shall, at his own cost, take out insurance in the event of recall of the goods with insurance coverage amounting to at least EUR 1,000,000.00 per year. The Manufacturer/Supplier undertakes to establish and maintain a system allowing traceability and identification of product defects, which will enable him to identify, in the case of a defective delivery, the period of delivery and quantity of the defective products.

XI. Termination by Notice

Until the full completion of the work, the Principal shall be entitled to terminate the contract by notice at any time. In the event of termination of the contract, the Principal shall compensate the Supplier / Manufacturers for the costs incurred by the date of receipt of the notice of termination. There are no other claims of the Supplier/Manufacturer. Upon termination of the contract, the Supplier / Manufacturer shall be obliged to immediately return the tools and means of production of the Principal. The products and/or services that have already been made or provided will be sold to the Principal, at his request, at an agreed-upon price or at a reasonable part of the price.

XII. Protective Rights

The Manufacturer / Supplier shall be responsible, irrespective of the fault, for no third party rights being violated in relation to his delivery. If any third party asserts his claims against the Principal resulting from the violation of property rights, the Supplier shall be obliged to exempt the Principal from these claims. The Supplier's obligation to exempt the Principal from the claims shall also apply to the Principal's buyers.

The obligation to exempt from claims shall not apply if the Manufacturer / Supplier manufactures products supplied according to the drawings, models and descriptions of the Principal. If the Manufacturer / Supplier believes that compliance with our instructions will result in the violation of protective rights, he shall be obliged to immediately inform the Principal thereof. The obligation to exempt from claims shall apply to any and all costs and expenses incurred by the Principal from the assertion of claims by third parties or in connection therewith. The limitation period for claims resulting from the violation of protective rights shall be 10 years after the delivery of the respective goods.

XIII. Responsibility of Manufacturer/Supplier

The Manufacturer / Supplier shall be responsible for the mistakes of their representatives and/or subcontractors as well as for their own mistakes.

Any exclusions and/or limitations of the Manufacturer's / Supplier's liability shall be excluded. The same shall apply for the fulfillment of secondary obligations. In particular, the Principal will not accept the limitation and/or exclusion of liability clause specified in the General Commercial Terms of the Manufacturer / Supplier.

XIV. Information and Secrecy / Reservation of Ownership / Provision / Tools

1. The Principal shall reserve the ownership of the parts provided to the Manufacturer / Supplier. The Manufacturer / Supplier may use the supplied parts only for their intended purpose. Any processing or transformation of parts shall be made by the Manufacturer / Supplier exclusively for the Principal. If any part provided by the Principal, the ownership

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of which has been reserved by the Principal, is processed with other objects not belonging to the Principal, the Principal shall acquire co-ownership of the newly created thing in the relative value of the Principal's part (purchase price plus VAT) and the value of the foreign objects at the time of processing.

2. If any part provided by the Principal, the ownership of which has been reserved by the Principal, is inextricably combined with other objects not belonging to the Principal, the Principal shall acquire co-ownership of the newly created thing in the relative value of the Principal's part (purchase price plus VAT) and the value of the foreign objects at the time of combination. If after combination, an object not belonging to the Principal forms the main part of the newly created thing, it is hereby agreed that the Manufacturer / Supplier shall pass the co-ownership on to the Principal. The Manufacturer / Supplier shall, on behalf of the Principal, enforce the Principal's ownership or co-ownership.

3. The Principal shall reserve the ownership of the provided tools. The Manufacturer / Supplier shall be obliged to use the provided tools exclusively for the manufacture of products ordered by the Principal. The Supplier shall be obliged to insure, at his own expense, the tools provided by the Principal against theft up to the value of the new tool. At the same time, the Supplier now already assigns all claims for compensation from the insurance to the Principal and the Principal accepts this assignment. The Manufacturer / Supplier shall be obliged to perform, at his own expense and in a timely manner, any and all necessary maintenance, inspection or repair of the Principal's tools. The Supplier must notify the Principal immediately of any malfunction of the Principal's tools, otherwise, he shall be obliged to compensate the damage.

4. The Supplier / Manufacturer shall be obliged to maintain in strict confidence any and all samples, models, molds, images, drawings, calculations and any other documents provided to him by the Principal, and use them exclusively for the fulfillment of the Principal's orders. These documents may be made accessible to any third parties only with the express consent of the Principal. The Manufacturer / Supplier may provide the documents only to those employees who are involved in the Principal's orders, and these employees must also be bound by confidentiality obligations. The above documents and information may not be reproduced, distributed or used commercially without prior written consent - except for within the deliveries for the Principal. The Supplier / Manufacturer shall be obliged, at the Principal's request, to return or dispose of, immediately and in the full amount, any and all documents and information provided (including any copies and/or records thereof) and items borrowed, in accordance with the Principal's instructions. The obligation of secrecy shall survive the termination of this Contract and shall end only when the expert knowledge contained in the submitted documents and information becomes generally known. The Principal expressly reserves any and all rights to the documents and information provided to the Supplier / Manufacturer, in particular the property rights and copyrights, as well as any and all industrial property rights and/or the right to their registration. The Manufacturer / Supplier is hereby prohibited to offer and/or supply to any third parties, any products manufactured according to the documents proposed by the Principal, such as drawings, models, etc., and/or according to the information provided by the Principal, the Principal's confidential information and/or using the Principal's tools or their imitations.

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XV. Means of Production

Any models, samples, drawings, molds or tools shall be confidential and may only be used for the fulfillment of the Principal's orders. The Supplier expressly agrees not to reproduce any models, samples and drawings of the Principal. Any parts manufactured according to the Principal's specifications, drawings or models, and any parts protected under the legal provisions of industrial protection rights may be delivered exclusively to the Principal; The said parts may not be delivered or made available to any third parties. The same shall apply to the parts and equipment for the manufacture, etc., whatever they are called, developed by the Supplier / Manufacturer with the cooperation of the Principal, if the Principal refuses to take over any defective pieces or if no additional orders are granted. The Supplier / Manufacturer shall be obliged, at its own expense, to insure models and equipment, forms and tools against accidental destruction or deterioration, and must properly maintain the same and store them adequately. The same shall apply to the tools, molds, equipment and models that are not used for production. In case of any change in the order, the Supplier / Manufacturer shall receive an amended order, including any new documents, models, samples, drawings and specifications, which remain the property of the Principal. The Supplier shall be obliged, after fulfillment of the contract or upon any change in the order / amended order, without being requested, to send any and all documents, models, samples, drawings and specification sheets in a usable condition.

XVI. Ownership Title Reservation

Any provisions or arrangements regarding reservation of the ownership rights of the Manufacturer / Supplier shall not apply. If the Principal refuses within the guarantee any supplies / works for which he has already paid or paid a deposit, this shall not mean that he waives the ownership right to the refused order / work until it is settled with appropriate consideration. When ordering new items on behalf of the Principal, the Supplier / Manufacturer shall transfer the ownership right relating to the materials and/or construction parts and components of the object ordered by the Principal, in the amount of the advance payment he has already paid.

XVII. Inspection obligation of the Manufacturer / Supplier

The supplier shall be obliged to check, before processing, the properties of the material provided by the Principal, unless otherwise agreed in writing. When finding any defects, the material may be processed only with the express consent of the Principal. Silence shall not be considered granting of consent.

XVIII. Assignment

1. The Principal is entitled at any time to fully or partially assign (transfer) the rights and obligations resulting from this Contract to any third parties pursuant to Section 1895 of the CC or to only assign the receivables. The Supplier agrees in advance to assignment of the Contract and to assignment of any receivables, as the case may be. Assignment of the Contract or assignment of receivables will be effective in relation to the Supplier no later than at the moment the Principal notifies the Supplier thereof in writing. When the Contract is assigned, Section 1899 of the CC is excluded.
2. The Supplier may not transfer the rights and obligations from this Contract to any third parties. The Contractor must not transfer the receivables from this Contract to any third parties.

XIX. General Provisions

1. The Supplier hereby waives the right to claim cancellation of this Contract pursuant to Section 2000 of the CC. The Contractor also waives the right to claim restoration of the contractual balance pursuant to Section 1765 of the Civil Code in the case of substantial change in circumstances that will produce an especially gross disproportion, and takes over

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the risk of changes in the circumstances pursuant to Section 1765 of the CC. Sections 1740 (3), 1751 (2), 1788 (2) and 1793 of the CC are excluded.

2. If any provision of these Purchase Conditions and other agreements entered into based thereupon is found invalid or ceases to be valid, the validity of the contract as a whole shall remain unaffected. The Contracting Parties shall be obliged to replace the invalid provisions with such valid provision which will be as close as possible to the business objective of the invalid provision.

3. In the event of any insolvency of the Supplier or commencement of any insolvency or enforcement proceedings conducted against the Principal's property or person, the Principal shall be entitled to withdraw from the contract to the extent of its yet unfulfilled part.

4, The laws of the Czech Republic, excluding conflicts of law, shall apply exclusively. Provisions of the United Nations Convention on Contracts shall not apply.

5. If the Manufacturer / Supplier is an entrepreneur, the competent court shall be the court at the registered seat/office of the Principal. The Principal shall be entitled to sue the Manufacturer / Supplier via the competent court at the place of his residence / seat. The place of fulfillment shall be the registered seat of the Principal of the company, unless otherwise provided in the order.

6. Additional terms: If the manufacture of tools / molds is needed for the fulfillment of the Contract for Delivery / Execution of Works, the attached supplementary terms and conditions, which are a part of the contract, shall apply.

XX. Environmental policy

The Principal's terms and conditions for environmental protection shall apply.

XXI. Social responsibility policy

Consideration of points such as human rights, working conditions, anti-corruption measures, etc.

State: 01 January 2014

Update: Index 03 = 19.06.2017 (TS to IATF)

Update: Index 04 = 21.08.2019 (Add Point XXI)