

## **General Terms and Conditions of Purchase for JOPP Automotive s.r.o., Velké Meziříčí, Průmyslová č.p. 2047, postal code 59401 (version 2018/8)**

### **I. Applicable terms**

- 1.1 JOPP Automotive s.r.o., Id.No: 26312417, registered office Velké Meziříčí, Průmyslová č.p. 2047, postal code 59401 is the Customer.
- 1.2 The business undertaking that has agreed to supply goods to the Customer under the corresponding standalone contract is the Supplier.
- 1.3 The rights and obligations between the Supplier and the Customer, including any future rights and obligations, shall be governed exclusively by the present General Terms and Conditions of Purchase, even in the absence of an express reference to the present GTCP's in the relevant contract, unless the relevant contract for the supply of goods ("Supply Contract") expressly provides otherwise. The application of any other general terms and conditions is excluded.
- 1.4 By entering into the Supply Contract, the Supplier expressly agrees to all rights and obligations stipulated in and arising from the present General Terms and Conditions of Purchase.

### **II. Formation of Supply Contract**

- 2.1 The contract for the supply of goods ("Supply Contract") is and any modifications thereof or amendments thereto are binding only if executed in writing. For the purpose of the present GTCP's, a Supply Contract is deemed to have been executed in writing even if entered into electronically (by e-mail) or by fax. The Supplier must record the same order number and project number in all documents pertaining to the same project.
- 2.2 A Supply Contract is formed when the Supplier returns a signed copy of the Customer's written order to the Customer.
- 2.3 If the Supplier fails to confirm the order within one week from receiving it, the Customer may revoke the order in writing until such time the Supplier confirms the order.
- 2.4 Call-off orders (orders placed based on a general agreement for the supply of goods) become binding unless the Supplier rejects the Customer's call-off order within 5 business days from the date of its receipt.
- 2.5 The Customer may ask the Supplier to modify the design and the specifications of the delivery item insofar as such request is fair and reasonable. The consequences of such request, especially an increase or a decrease in costs or changes in the delivery date, must be resolved in an appropriate and mutually agreeable manner and the Supplier must expressly notify the Customer of such consequences in advance.
- 2.6 The goods shall be packed in accordance with the parties' agreement for each order. In the absence of such agreement, the goods shall be packed in accordance with the Customer's logistics specifications available at <https://www.jopp.com/downloads/>, in accordance with business usage, but always so as to protect the goods from harm or damage caused in connection with transportation and storage.

### **III. Prices and payment**

- 3.1. The agreed prices are fixed and include all ancillary costs and fees, such as insurance, packing and carriage fees to the agreed place of delivery.
- 3.2. Unless otherwise agreed in a contract with the Supplier, the delivery is made in accordance with delivery term FCA (INCOTERMS 2020) to the specified place of delivery. If the Supplier is required under applicable laws and regulations to take back used packaging, the Supplier shall carry the return shipping and recycling/reuse costs for such used packaging.
- 3.3. Payment of the price for the goods is due within 60 days from the later of the acceptance of the delivery under the contract (date of consignment/delivery note) or the delivery date of the invoice. If the delivery is accepted prior to the agreed delivery term, the due dates shall be determined with a view to the initially agreed delivery date. In case of defective delivery, the Customer may withhold a proportional amount of the payment until the delivery has taken place according to the specifications.  
If the Customer pays the price for the goods before the due date, he shall be entitled to a discount, which is agreed as follows:
  - (a) In case of payment within 14 days, the Customer shall be entitled to a 3% discount on the price of the goods;
  - (b) In case of payment within 30 days, the Customer shall be entitled to a 2% discount on the price of the goods.

The payment term starts to run from the acceptance of the delivery according to the contract (date of consignment/delivery note) or from the delivery of the invoice, whichever occurs later.

- 3.4. In the absence of the Customer's consent, the Supplier may not unilaterally set off his claims against the Customer; any set-offs of claims are subject to the Customer's agreement.

#### **IV. Delivery dates and time periods, delay**

- 4.1 The agreed delivery dates and time periods are binding.
- 4.2 The Supplier must deliver the goods to the Customer duly and in time. Goods are deemed delivered in time if they are delivered within the agreed delivery term. Goods are deemed delivered duly on the satisfaction of all of the following conditions:
- Goods have been duly delivered by the Supplier to the agreed place of delivery,
  - Goods have been delivered with all accompanying documents and free of defects
  - The Customer accepted delivery of the goods.

The goods delivered to the Customer must be free of any defects. Goods may be delivered with visible defects only if the defects are recorded by the Customer in a report enclosed to the Supplier's consignment/delivery note and if the Customer expressly confirms that he accepts delivery of the goods in spite of such visible defects. In such case, the Customer must record the ascertained defect in the report, specifying the defect and identifying the relevant delivery item that suffers from the defect. The acceptance of the goods by the Customer does not change the fact that the goods suffer from a defect and is without prejudice to the Customer's rights arising from the Supplier's liability for defects.

- 4.3 The Supplier must notify the Customer about any foreseeable delay in delivery. If the delivery is delayed, the Supplier must compensate the Customer for any damage sustained.
- 4.4 The potential unqualified acceptance of delayed delivery by the Customer does not amount to the Customer's waiver of compensation for damage caused by the Supplier's delay.
- 4.5 Unless documented otherwise, the information recorded by the Customer about the number of items, weight and dimensions of the delivered goods prevail.

#### **V. Force majeure**

- 5.1 Force majeure, industrial action, civil unrest, official measures and other unforeseeable, unavoidable and severe events release the parties from their obligations for the duration of the disturbance and to the extent their obligations are affected. This shall also apply if such events occur at a time when the party affected is in default. The parties are obliged to give each other the necessary information which may reasonably be expected without delay and to adjust their obligations to the changed circumstances.

#### **VI. INCOTERMS, certificate of origin, export restrictions**

- 6.1 INCOTERMS 2020 as applicable when an order is placed apply when interpreting commercial terms. The Supplier must submit all documents required by the Customer and other applicable laws and regulations (e.g. supplier declaration, movement certification, customs duty payment certificate and certificates of origin as well as other details referring to the origin of the goods and materials included). The Supplier must make the documentation available immediately with all necessary details.
- 6.2 The Supplier must provide the Customer with full and accurate details about the origin of the goods, especially about the country of origin of the goods. The Supplier must inform the Customer without delay about any changes in the origin of the goods. The Supplier is liable for the potential damage sustained by the Purchaser due to incorrect or erroneous information about the origin of the goods.
- 6.3 If the transaction concerns the delivery (sale or manufacture) of tools, the Supplier must ensure that the VAT laws and regulations of the country are observed where the tools are to be used. The Supplier shall also arrange that the Customer may deduct input VAT.
- 6.4 The Supplier must inform the Customer in case a delivery item is either fully or partially subject to export restrictions or any other restrictions under any legislation.
- 6.5 The Supplier is liable for all damage suffered by the Customer in connection with the violation of the Supplier's obligations above.

#### **VII. Reservation of title**

- 7.1 Ownership of the goods passes to the Customer no later than upon the payment of the price of the goods (unless the ownership passed earlier). A later passage of ownership is excluded unless agreed otherwise in writing.

## **VIII. Quality, documentation**

- 8.1 With respect to his deliveries, the Supplier must observe the generally applicable technical standards, the applicable occupational health and safety standards and environment protection standards, and must put into practice state-of-the-art quality assurance and control methods. At the Customer's request, the Supplier must also provide evidence of the foregoing practices to the Customer. As a minimum requirement, all suppliers of production materials must apply constantly and permanently an appropriate quality management system, such as a system based on DIN EN ISO 9001 standard applicable at the time.
- 8.2 The agreed specifications of the supplied goods are binding and any change in the specifications of a delivery item requires a prior written consent of the Customer. With regard to series parts, in the first sample testing, the Supplier must always observe the requirements stipulated in the latest version of the VDA publication "Sicherung der Qualität von Lieferungen in der Automobilindustrie-Lieferanten-bewertung, Erstmusterprüfung." When it comes to new parts, prior to the approval of the new series for production, the Supplier must always deliver a gratuitous first sample testing report with at least five measured parts and ten parts to demonstrate the visual design and assembly samples. The Supplier must constantly monitor the quality of supplied goods and parts. The Supplier must document all parts manufactured and supplied to the Customer. The parties agree to keep each other informed about potential quality improvements of the goods to be delivered.

## **IX. Notification of defects, warranty for defects**

- 9.1 Upon receipt of delivery, the Customer shall check the identification and the quantity of the goods. The Customer shall also inspect the integrity of the packaging or packing of the goods and inspect the completeness of the documents that accompany the goods delivered to the Customer. The Customer is also obliged to carry out due inspection of the goods in accordance with section 2104 of Czech Civil Code (CCC) to ascertain any visible defects. If the Customer discovers any damage, defect or inaccuracy, he must notify the Supplier without undue delay. Other defects which were not discovered during the initial inspection shall be notified by the Customer to the Supplier as soon as they are ascertained in the course of the Customer's orderly business practice. The application of sections 2111 and 2112 CCC is hereby excluded.
- 9.2 If defective goods are delivered, the Customer is entitled to:
- a. Have the defect rectified by a delivery of a new defect-free item or by a delivery of the missing item,
  - b. Have the defect rectified by means of a repair,
  - c. A reasonable discount on the purchase price of the goods, or
  - d. Withdraw from the contract.
- 9.3 The Customer is also entitled to repair the defect by himself or have the defect repaired by a third party at the Supplier's expense.
- 9.4 In addition to warranty claims, the Customer may also claim compensation for the damage caused by the delivery of defective goods or compensation for a Supplier's breach on any of his other obligations.
- 9.5 In the absence of the parties' agreement to the contrary, warranty claims are time-barred after the later of the lapse of (i) 36 months from the first registration of the vehicle or installation of the spare parts or the lapse of (ii) 42 months from the delivery of the goods to the Customer. If the goods are registered in North America or supplied there, the above time periods are extended to (i) 48 months and (ii) 54 months respectively.
- 9.6 If a defect occurs within the first 6 months from the transfer of risk of damage to the goods, the delivery item is deemed to have been defective at the time the risk was transferred, unless this is inconsistent with the nature of the item or the defect.
- 9.7 The Customer may not exercise a warranty claim if the defect was caused by a failure to observe the operation, service or installation instructions, by inappropriate or unsuitable use, by normal wear and tear or expert treatment of the supplied goods by the Customer or a third party.
- 9.8 The Supplier shall take out insurance against the risk of product liability (including the risk of recall actions) in an appropriate amount. At the Customer's request, the Supplier shall submit the certificate of such insurance to the Customer.
- 9.9 With respect to his deliveries, the Supplier must comply with the applicable EU law, such as Regulation (EC) of the European Parliament and the Council No. 1907/2006 of 18 December 2006 (REACH Regulation), the EU rules on hazardous substances and waste from electrical and electronic equipment (ROHS Directive and WEEE Directive), and with the applicable laws and regulations of the Czech Republic.
- 9.10 The Supplier shall inform the Customer without delay about relevant product changes due to laws or other directly applicable regulations of the European Union, in particular the REACH regulation, about any change in the

Supplier's ability to supply the goods or about any change in the use or quality of the goods, and in individual cases, shall coordinate with the Customer the application of suitable measures. This applies also as soon as and to the extent to which the Supplier realizes or should have realized that such changes must take place.

## **X. Liability**

- 10.1 Unless provided otherwise in the present General Terms and Conditions, the Supplier shall compensate the Customer for damage caused to the Customer directly or indirectly as a result of the Supplier's defective supply, violation of safety regulations or violation of any other obligation on the part of the Supplier or for any other reasons attributable to the Supplier.
- 10.2 The Supplier acknowledges that the Customer uses the goods and materials supplied by the Supplier for deliveries to Customer's own customers in the automotive industry and that if the Supplier violates his obligations hereunder, the Customer may sustain damage in the form of potentially substantial contractual penalties or other sanctions from the Customer's own customers.
- 10.3 The Supplier grants warranty to the Customer and any other person to obtain ownership or other rights to the goods or to items that form a part of the goods that are supplied by the Supplier. The Supplier guarantees that the goods supplied under the Supply Contract shall be fit and suitable for the purposes contemplated in the Supply Contract and fit for their normal purposes and that they will maintain the specifications and features specified in the contract. If the Supply Contract does not stipulate certain characteristics of the goods, the Supplier guarantees to the Customer by this warranty clause that the goods supplied under the contract shall retain their normal characteristics for the duration of the warranty period.
- 10.4 The duration of the warranty period is stipulated in the relevant Supply Contract. In the absence of an express regulation of the warranty period in the relevant contract, the warranty period is set at 24 months from the due delivery of the goods.
- 10.5 The running of the warranty period is suspended for the period of time during which the Customer is unable to use the goods on account of defects that are the responsibility of the Supplier.

## **XI. Confidentiality**

- 11.1 The parties shall treat as trade secret all commercial and technical information they learn in the course of their business relationship unless the information are already in public domain.
- 11.2 Documents, drawings, data, IT information, software, materials or other similar objects (samples, models, etc.), provided to the Supplier by the Customer in order to carry out the order shall not be made available or otherwise accessible to unauthorized third parties. Reproduction of such objects is only permitted according to business requirements or in compliance with the copyright laws. After completing the order the Supplier must return documents and drawings, etc., of its own accord.
- 11.3 Products and spare parts for such products which are produced with the assistance of the Customer's property, in accordance with the Customer's instructions or with the Customer's significant participation in the development phase may only be supplied to third parties with the Customer's written consent.
- 11.4 Know-how obtained based on information mentioned in paragraph 1 may not be used or disclosed to third parties even after completing the order.
- 11.5 If the Supplier cooperates with subcontractors in performing his obligations owed to the Customer, the Supplier must ensure that the subcontractors observe the confidentiality obligation to the same extent as the Supplier.
- 11.6 A party may publish the information about the parties' business cooperation for marketing purposes only after having obtained previous written consent of the other party.

## **XII. Intellectual property rights**

- 12.1 The Supplier must ensure that the goods be not encumbered by any third-party intellectual property rights that would restrict the Customer's use of the goods under the Contract or that would restrict the Customer's customers in using or otherwise disposing of the goods.
- 12.2 The Supplier must settle all third-party intellectual property claims under the foregoing paragraph vis-a-vis the Customer and the Customer's customers. This does not apply inasmuch as the Supplier manufactured the goods in accordance with the drawings, models, descriptions or other information provided by the Customer and Supplier did not know and was unable to know that the goods thus produced infringe upon third-party intellectual property rights.
- 12.3 The parties shall notify each other without undue delay about all risks of infringement or alleged infringement upon rights mentioned in this article and shall give each other the opportunity to cooperate in defending against such claims in accordance with their mutual agreement.

- 12.4 At the Customer's request, the Supplier must inform the Customer about the Customer's intellectual property rights pertaining to the goods to be delivered. The Supplier shall inform the Customer at the Customer's request about the use of any published or unpublished intellectual property rights relating to the goods to be delivered, whether such rights are protected by licence or a registration in a relevant register or whether an application therefor is pending.
- 12.5 Where the goods to be delivered to the Customer have been produced based on a contract for work (work produced per order), the Supplier grants the Customer the license to use the work (licence) together with the delivery of the goods. The right to use, as defined in this Contract, is the right to an undisturbed use of the work for as long as the intellectual property rights to the work are protected. The license fee is included in the price of the goods. The Supplier grants the Customer an exclusive, unlimited license, unlimited in territory and time, unlimited in quantity and for all uses. The Customer may assign, transfer, lend, loan, allow the use of, or otherwise temporarily or permanently grant the rights forming part of the licence to third parties in any way whatsoever without any restriction and even without the consent of the Supplier. The Customer may alter or modify the work in any way it deems appropriate, create derivative creative works independently or through third parties, and combine them with other creative works. The Customer is not obliged to use the licence. The rights and obligations arising hereunder shall pass to the parties' legal successors or heirs. The Supplier warrants and represents that it has the right to use the work licensed hereunder and that it has the right to grant an exclusive licence to such work.

### **XIII. Means of production, inventories**

- 13.1 Materials, goods, moulds, templates, samples, tools and other means of production provided by the Customer or acquired at the Customer's expense (or even if the Customer made a substantial contribution to the costs) become and shall remain the property of the Customer. The Supplier may use such means of production for his own purposes and for deliveries to third parties only with the Customer's prior written consent. This also applies to items (goods) produced using the materials, goods, moulds, templates, samples, tools and other means of production provided by the Customer or acquired at the Customer's expense (or even if the Customer made a substantial contribution to the costs).
- 13.2 The Supplier may carry out the processing and combining of Customer's items only with the express prior consent of the Customer. The Supplier may carry out the processing and combining of items which do not belong to the Customer for the purpose of delivery to the Customer only with the prior express consent of the Customer and of the owner of such processed or combined items. In such case, the Supplier must arrange the transfer of ownership of goods produced by combining or processing such items to the Customer (unless the parties agree otherwise). The foregoing rules apply by analogy also to the use of a third-party item to repair the Customer's item or to repair the item to be delivered to the Customer.
- 13.3 Means of production which are paid directly or indirectly by the Customer become the Customer's property, including all accessories and documentation. This also applies to items produced from and/or using such means of production. The Customer may ask the Supplier to return such means of production and items produced from and/or using such means of production to him at any time. The means of production are granted to the Supplier on a loan basis and the Customer may retrieve them at any time. The Supplier may not exercise any retention rights. Following the completion of an order, the Supplier must surrender the means of production to the Customer in good condition. Destroying the means of production is only permitted with the Customer's prior consent.
- 13.4 The Supplier must store the Customer's means of production and the items produced from and/or using such means of production free of charge and separately from the Supplier's property as well as with the care of a prudent businessman. The Supplier must designate the Customer's means of production as the Customer's property and must insure them at the Supplier's own expense against fire, water, theft and other similar risks. The Supplier hereby assigns to Customer all insurance claims pertaining to the Customer's means of production and items produced from and/or using such means of production, while the Customer accepts the assignment. The Supplier must carry out a stock-taking of such means of production and items at its expense at least once a year.
- 13.5 If the Supplier causes damage or deterioration in value of the Customer's means of production and the ensuing items, the Supplier shall be liable for the damage to the Customer in full even if the damage was caused by negligence.
- 13.6 If the Supplier cooperates with subcontractors in performing his obligations owed to the Customer, the Supplier must ensure that the subcontractors observe the obligations arising under this article of the present General Terms and Conditions to the same extent as the Supplier himself.

### **XIV. Statutory compliance**

- 14.1 The Supplier must abide by applicable laws and the principles of the UN Global Compact. In particular, the Supplier may not participate actively or passively in any form of corruption, in any violation of human rights or child or forced labour. The Supplier must abide by occupational health and safety laws, data protection laws and environment protection laws.
- 14.2 The Supplier must adopt all requisite organisational measures, particularly with regard to the protection of assets, business partners, personnel and information security and logistics in order to guarantee supply chain security.
- 14.3 The Supplier must maintain an adequate information security management system, such as one equivalent with DIN ISO/IEC 27001 standard in its current wording. The Supplier must document every security incident (especially any hacking, Trojan or virus attacks) in its information system, and notify the Customer about any such incident without undue delay.
- 14.4 If the Supplier violates the foregoing obligations, the Customer may withdraw from the Supply Contract or may terminate the Supply Contract with the Supplier with immediate effect. If it is possible to remedy the breach of Supplier's obligation, the Customer may exercise the right to withdraw from or terminate the Supply Contract once the grace period granted by the Customer to the Supplier to remedy such violation lapses to no avail.

## **XV. General provision**

- 15.1 Should either party become insolvent or bankrupt, the other party may withdraw from the Supply Contract to the extent of the part of the performance as yet unrendered.
- 15.2 Should any provision of the present General Terms and Conditions be invalid or unenforceable, this shall not affect the validity and enforceability of the remaining parts of the General Terms and Conditions. The parties agree to replace the invalid or unenforceable provision with such valid and enforceable provision that best expresses the commercial purposes contemplated by the invalid and unenforceable provision.
- 15.3 The place of supply coincides with the Customer's registered office. The parties may agree on another place of supply.
- 15.4 The court of jurisdiction is determined by the Customer's registered office.
- 15.5 All rights and obligations of the Customer and the Supplier hereunder shall be governed by the laws of the Czech Republic, to the exclusion of the UN Convention of 11 April 1980 on Contracts for the International Sale of Goods (Vienna Convention, CISG).