

## **Purchasing conditions**

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### **I. Placing of orders**

- a) Orders placed by us shall only be binding when they are placed in writing. Any undertaking made orally or by telephone requires our written confirmation to take effect.
- b) Any order, which has been placed by us, must be confirmed immediately by the supplier, otherwise our terms and conditions are considered as tacitly accepted. Delivery schedules will be deemed to have been accepted unless disputed by the supplier within 48 hours of receipt.
- c) Save as otherwise provided for in the order, our purchasing conditions are exclusively applicable. The general business conditions of the supplier, in particular his terms and conditions of sale and delivery, are not an integral part of the contract.

### **II. Prices**

- a) The prices agreed are firm prices including packing and free delivery to our place of destination, freight and ancillary expenses will not be paid, if not stated otherwise in suppliers' quotation.
- b) The dimensions, weights and quantities stated by us are definitive for the purposes of payment.

### **III. Delivery**

- a) Scheduled delivery dates are binding. In the event that the agreed delivery date is exceeded, the supplier is in default of delivery without need for our express notification placing him in default. Acceptance and/or payment of deliveries not made within the time specified shall not constitute a waiver for any damage that the late delivery may have caused.
- b) In the event of a delay in delivery due to war, governmental acts or Acts of God, we reserve the right, upon the expiry of a reasonable period set for the delivery, which is also dictated by our obligations towards our customers with respect to the delivery schedule, to cancel the order. In this case, we are under no obligation to reimburse the supplier for the costs incurred.
- c) If circumstances occur which give reason to doubt the credit worthiness of the supplier (e.g. where an insolvency procedure is applied for, etc...), we are entitled at our discretion to withdraw from the contract and/or to participate in the supplier's contracts with his sub-suppliers without prejudice to any other legal or contractual rights.
- d) Where the supplier anticipates difficulties in material procurement or manufacture, or if circumstances occur which may affect punctual delivery of the specified quality, he must advise us immediately. Failing this, he will be held responsible in the same way as if he is responsible for late delivery.

### **IV. Terms of payment**

- a) If not agreed otherwise beforehand, payment of invoices will be made at our discretion on the 25th of the month following delivery with a 3 % cash discount or 60 days net, the means of effecting payment being at our option. If the invoice is received before receipt of the goods, the payment period will commence upon receipt of the last part of the delivery. Without a written reminder we will not be considered to be in default.

- b) Claims resulting from supplies and services provided to us cannot be transferred to any other party in a binding manner without our written consent.
- c) In the case of non-compliant deliveries, we are entitled to withhold payment until any shortcomings have been rectified.

#### **V. Passing of risk**

The risk in the goods shall pass to us following receipt of the goods at our premises and handing them over to the responsible point of receipt in good order.

#### **VI. Warranty, claims under the terms of liability**

- a) In the case of obvious defects in the goods supplied, it is assumed that we meet our obligation to claim for such defects according to the circumstances in each individual case but in any case by indicating the defects within 10 days following receipt of the goods. In the case of hidden defects, the relevant legal provisions shall apply. In the case of significant defects and deviations in quantity, the supplier cannot put forward in his defence the claim that immediate notice of the defects was not given.
- b) Unless longer periods are provided for by law, the supplier shall give a warranty for his deliveries or services, for a period of one year after commissioning but not longer than 2 years after delivery, that his deliveries are free from defects likely to affect their use and that they possess the assured properties. For a period of six months after receipt of the goods the supplier shall be under an obligation to furnish proof that the goods were free from any defects at the time of delivery. In all other respects the warranty is subject to the normal legal provisions. If we, at our discretion, consider the case to be urgent, or if the supplier does not immediately comply with his obligations under the terms of warranty, we are entitled to repair or to replace defective parts and to eliminate any damage which has occurred at the supplier's expense, without granting a period of grace.
- c) Return of goods which are subject to complaint will be made at the supplier's cost and risk.
- d) If it transpires that, due to a material defect, we have incurred unnecessary material or labour costs, the supplier is obliged to reimburse us for any such costs.
- e) The supplier undertakes to take out product liability insurance for all deliveries and services rendered by him for an amount sufficient to cover for damage to property and persons which should be adequate in view of the risks incurred in the automotive industry, including the risk of recall actions and to maintain such insurance for a minimum of 15 years.

#### **VII. Claims under the liability terms**

If demands are made on us under our legal liabilities as a result of material defects, especially under the product liability law or due to an infringement of the safety regulations, the supplier shall hold us harmless against any liability, insofar as either his supplies or his services were defective and were the cause of the damage.

#### **VIII. Provision of material**

Material provided by us shall remain our property and shall be stored, identified and administrated at no charge to us. It shall only be used for orders from the purchaser.

Before commencing production, the supplier shall check the material provided for any discernible defect and carry out an identity check. During production, the supplier shall carry out further checks, if this has been agreed with us or required within the framework of his quality management system. The supplier shall advise us immediately of any quality defects on the materials provided, in order to agree on measures to be taken.

## **IX. Quality**

- a) The supplier guarantees that leaflets, quotations and other descriptive documents are true and correct descriptions of the ordered goods, and he undertakes to guarantee the properties assured in such documents. The goods must comply with all relevant legal provisions, accident prevention regulations, applicable decrees and directions, VDE regulations, law on machine safety and the recognized state of the art. Hazardous goods must be identified as such.
- b) The supplier shall exercise adequate quality control according to the state of the art. We expect that design and quality of the products supplied to us are constantly the state of the art, and that we will be advised of any improvement or technical modification that may be possible. Modifications of the object to be supplied, however, require our express previous consent.

## **X. Manufacturing documents**

Any manufacturing documents handed to the supplier are entrusted to him as our property and are exclusively for carrying out orders placed by us. After completion of the work they shall be returned to us. The supplier shall not be entitled to use the documents directly or indirectly for deliveries to third parties. A transfer of these documents to third parties either as original or as copy is only allowed to the extent necessary for fulfilment of the contract. Any unjustified and unauthorized use of the production documents by the supplier or by a third party will entail payment of a contract penalty, without prejudice to the assertion of claims for damages up to the amount of the sales price of the items manufactured on the basis of our documents. The supplier is held to pass this obligation on to his sub-suppliers.

## **XI. Place of fulfilment, place of jurisdiction**

- a) The place of fulfilment for all deliveries and payments and all obligations under the contract is the point of reception as indicated by us.
- b) The place of jurisdiction for all litigation resulting from the contract, also with respect to breaches of the contractual relationship is, at our discretion, the municipal / business court or the regional court of Brno, CZ. We are, however, entitled to sue the supplier for damages at his normal place of jurisdiction.
- c) The present contract and its effects shall exclusively be governed by Czech law. Application of the laws on the international purchase of movable property and the conclusion of international deeds of sale for immovable properties shall not apply.

## **XII. Severability**

If any provision in the contract is or becomes invalid, such provision shall not affect the validity of the remaining provisions.