

## **General Conditions of Purchase NVision Czech Republic a.s.**

Legal relations between the **Supplier** on one side and **NVision Czech Republic a.s.**, registered address Ohradní 1369/8, 140 00 Prague, Czech Republic, ID: 475 50 937, registered in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 10436, hereinafter referred to as **Customer** on the other side, are regulated by these General Conditions of Purchase (hereinafter referred to as Conditions).

### **1. General Provisions**

By signing a purchase contract or by delivering the Goods ordered by the Customer, the Supplier confirms his agreement with the Customer's conditions.

Any trading conditions of the Supplier that differ from these Conditions are applicable only in case the Customer explicitly agrees with them in written form. Additional or different agreements against these Conditions should be arranged in writing. This is applied to cancellation of the written form request as well.

These Conditions are valid also in case the Supplier carries out the Supply without exceptions with different trading conditions of the Customer taken into account or if these Conditions are not interconnected for future deals in a single case.

These Conditions are effective in their whole scope unless the parties agree otherwise in writing. The Conditions have priority to the professional standards, rules, principles, etc. No trading practice between the parties is applied in case they are contrary to these Conditions.

These Conditions are valid only for businessmen in the meaning of appropriate regulations of Law No. 89/2012 Coll., and the Civil Code as amended (hereinafter referred to as „NCC“).

### **2. The Order, Changing the Order**

Order of the Goods can be made by the Customer and accepted by the Supplier only in written or electronic form, for example, via email, EDI, Web EDI, etc. The Supplier is entitled to confirm the initial order that precedes the plan of supplies, immediately after he receives it. In case the order is not confirmed by the Supplier within two weeks after it was received, it loses the validity, unless it is agreed otherwise by the Contracting Parties. The delivery plan is binding unless the Supplier disagrees with it within 36 hours (Mo-Fr) after its delivery if it is not agreed otherwise.

The Customer may ask the Supplier to make changes in the subject and execution of the ordered goods only in a preconditioned extent that will be acceptable to the Supplier. Unless the Supplier rejects the proposal of change immediately after receiving it from the Customer, it is assumed that he agrees with the proposed change and that he is able to perform it in the requested quality. In case changing of the order affects the agreed price of the Goods or its quality, the Supplier is entitled to immediately inform the Customer about it. In this case the Customer has a right to cancel the proposal of change or to withdraw from the contract or to cancel the order.

If something endangers the order time schedule, the Supplier is obliged to inform the Customer immediately. This notification doesn't relieve the Supplier from liability to deliver the Goods in the term specified in the order.

The Customer is entitled to adjust the term and the number of deliveries to his current needs.

### **3. Price, Payment Conditions and Lien**

The agreed prices are firm and do not include VAT. The prices are valid for the whole period of the order. These prices are valid also for spare parts delivery during fifteen (15) years after serial production termination. Unless the contracting parties agree otherwise, the price includes delivery of Goods to the place of delivery and the further expenses related to delivery (packing including return of the package units back to the Supplier, storage, specific tests required by the Customer or his clients, insurance, etc.).

The Supplier is not entitled to change the agreed price without a prior agreement of the Customer. The Supplier takes the risks of change of circumstances in the meaning of § 2620, second sentence of NCC.

The invoice must include all the tax document details, including the address specified in the order, the Supplier's number, the delivery note number, the relevant order number or delivery plan, delivery conditions, amount and identification of the delivered Goods, total price and further data determined by

the legal regulations. The Supplier is liable for all the consequences that arise as the result of the breach of these obligations unless he proves that he didn't cause them.

The payment will be carried out after the Goods are delivered in accordance with the agreement or after the fulfillment was received or after the delivery was completely performed, on the basis of the invoice. The invoice due date is determined for 60 days after the invoice was delivered to the Customer, unless it is agreed otherwise.

In case preterm deliveries are accepted the invoice due date is regulated by the agreed term of delivery.

In case the Customer delayed the payment, the Supplier is entitled to request from him legal interest fee for the payment delay. The Supplier is entitled to compensation of damage caused by the delay only in the amount exceeding the interest rate of the delay.

The Customer is not in delay with the invoice payment in case the invoice does not contain the above mentioned details until the defects are removed by the Supplier.

The Customer is entitled to hold the payment and to figure in the extent prescribed by law and in accordance with the conditions specified in these Conditions. In case of claiming the defects, the Customer is entitled to hold the due payments in the appropriate scope. In case the defective supplies were already paid, the Customer is entitled to hold other due payments up to the amount of payment for the defective supply.

The Supplier will place lien neither on the goods supply nor on the right of its use. The Supplier is entitled to figure in only in indisputable cases or those that were lawfully decided on.

The Supplier is not entitled to pass his amounts receivable towards the Customer to the third party without a written agreement of the Customer.

### **4. Preparedness for Delivery, Safety Stock, Delivery**

The Supplier undertakes to produce and to deliver the agreed Goods of requested quality so that it can be immediately used in further production. On the basis of an announced and arranged request the Supplier undertakes to be prepared for deliveries, which also allows short-term flexible negotiations with the Customer.

The Supplier undertakes to maintain a safety stock of the Goods in the 1 week-long consumption amount unless it is agreed otherwise. Safety stock is maintained taking into consideration the current technical condition and ensuring further processability. The Supplier undertakes to present the safety stock to the Customer on request.

The Supplier further undertakes to timely inform the Customer in case some used materials or assembly parts are changed or the sub-supplier is changed or their supplies terminate. Notification period is equal to at least 1 year plus the delivery time.

The Supplier is entitled to provide spare parts for 15 years after the end of serial production.

### **5. Packaging, Transportation, Delivery Bill**

The Supplier is liable for all the packaging costs. The Supplier bears responsibility for all the damages due to lack of packaging.

Packaging of electronic elements or components must be able to divert electrostatic discharges.

The Goods are delivered in disposable or returnable package. Returnable package is used only if it is requested by the Customer and approved in writing. In case usage of returnable package is approved by the Customer the Supplier is entitled to collect empty package at his own expense.

The Supplier is entitled to mark all the delivered Goods with a bar code (ID + LOT).

Every delivery must be accompanied by an appropriate delivery bill that contains addresses and names of the Customer and the Supplier, the order and material number of the Customer, series marking, inspection status, gross and net weight, the delivered amount, the number of packages, the number of packing material, the number of used packing material and the number of the delivery bill unless it was explicitly agreed otherwise. In case some of these data is missing the Customer is entitled to refuse to accept the delivery.

## **6. The Term of Delivery, Delay of Delivery**

The term of delivery specified in the order is binding. The delivery is fulfilled in case the Goods were transferred to the Customer or the carrier determined by the Customer. The Supplier is entitled to immediately inform the Customer about any possible delay of delivery, its reason and presumable term of delay.

The Customer is entitled to claim the contractual fine equal to 0,5% of the order price for each calendar day of delay, but not more than 10% of the relative price of the order delayed by the Supplier. Further Customer claims remain unaffected.

The Supplier is obliged to compensate the Customer for any damage caused by the delivery delay. The Customer is entitled to claim the damage compensation that exceeds the amount of agreed contractual fine, especially additional costs for transportation, production, covering expenses, etc. as well as claims of the third parties. Acceptance of the delayed delivery does not mean that the Customer waives the right to claim the damage compensation.

In case the delay lasts more than 14 days, the Customer is entitled to withdraw from the contract. The Supplier is obliged to compensate the additional costs caused by replacing delivery arrangement.

## **7. Certificate of Origin, Export Restriction**

The Supplier is entitled to provide the information about the origin of delivered Goods, its manufacturer or his sub-supplier at any time on Customer's request.

In case the Supplier's deliveries come under export restriction completely or partially, the Supplier is entitled to inform the Customer about that without being requested to.

## **8. Offtake**

The required schedules of delivery terms, basic contracts and orders bind the Customer to offtake only the quantity corresponding to the 4-week period and release the material stock during 8 weeks unless it was agreed upon otherwise in writing.

Material planning performed by the Supplier for more than 8-week fixed period is fundamentally performed under his responsibility, unless it is agreed otherwise in writing.

The Customer is entitled to refuse to accept the Goods delivered before the delivery term, to send it back at the Supplier's cost and risks or to store it at the third party at the Supplier's cost. The same is to be valid for deliveries of bigger amounts.

## **9. Incoming Control**

The control of correspondence of the delivery with the order and the control regarding obvious transportation damages should be performed by the Customer immediately after the delivery of the order. In case the Customer reveals any damages during the control he should immediately inform the Supplier about that.

The Customer is not obliged to perform the incoming control.

## **10. Control Performed at the Supplier's, Production Control**

The Customer or a person authorized by him is entitled to control compliance with the contractual requirements during the Supplier's or his sub-supplier's production process. After the preliminary notification the Supplier should permit the control during regular workday. The Supplier bears the expenses related to the control.

## **11. Quality, Obligation of Documentation**

The processes required for the Goods production and the materials used for it as well as the Goods should comply with the valid legal regulations and technical standards or appropriate license systems and the rules and regulations of work security, environment protection and the regulations of protection from dangerous substances. At the same time in case of foreign production the Supplier is obliged to inform about the laws specific for this country and take them into account.

The Supplier is fully liable for flawlessness of his supply according to the agreed upon specifications and for eligibility to be used. Moreover, the Supplier is obliged to keep the system of the backward traceability of the lot and to provide it to the Customer upon his request.

Unless it is agreed upon otherwise, the Supplier fulfills the regulations of ISO/TS 16949 and ISO 9000ff.

The Supplier grants the Customer or the person authorized by the Customer the right to conduct their own audit within the 2-week period upon the prior agreement.

The Supplier is obliged to mark critical parameters ("D") on all materials and drawings on the Customer's request and archive these documents for at least 15 years since the last delivery. The Supplier should enable the Customer to view these documents mandatory marked as "D" documents on his request or to send him the respective copies. In case of disagreement the Supplier should support the Customer with his expert knowledge or provide him with the originals of the documents mandatory marked as "D" which will serve as a proof. The Supplier is obliged to bind his sub-suppliers in the same scope.

## **12. Terms of Delivery, Delivery**

The terms of delivery are INCOTERMS 2010. Unless the contracting parties agreed on any other terms of delivery, INCOTERMS DDP is effective. Unless the order states otherwise, the place of delivery is the Customer's manufacturing plant at Klášterní 1, 259 01 Votice.

## **13. Period of Warranty**

The warranty periods the Customer concluded with the end customers are transferred to the Supplier. The warranty period for a specific product is always determined separately in separate contracts/orders concluded between the Customer and end customers. The Customer will inform the Supplier about the length of the warranty period immediately. Unless the warranty period agreed upon clearly, the warranty is valid for Automotive products for the period of 36 months from the moment of the first registration of the vehicle or putting into operation/takeover by the end user, in other cases for 36 months from delivery.

## **14. Liability for Defects**

The Customer is entitled to ask the Supplier for extra supply of faultless Goods or defect elimination within the adequate period which he would determine. Unless the Supplier eliminates the defect within the agreed upon period, the Customer is entitled to eliminate the defect himself with the help of the third party or ensure the alternative supply. In urgent cases the Customer is entitled to do all specified above without sending prior notification to the Supplier or specifying the alternative deadline.

Apart of the entitlement specified above the Customer is always entitled to receive an adequate discount of the Goods price which is adequate to the Customer's expenses caused by the delivery of defective Goods or non-delivery of the Goods in accordance with the order.

In case the Customer rejects to take the defective Goods over such Goods are considered not supplied.

In case the defective Goods are delivered repeatedly or the missing Goods are not delivered within the period specified by the Customer or the defective Goods cannot be repaired, the Customer is entitled to withdraw from the concluded and yet not fulfilled contracts or cancel the orders which were not fulfilled yet without the Supplier's claim for any compensation.

In case the defects are revealed after the supplied Goods were processed, the Supplier is obliged to bear all costs related to replacement or repair of defective Goods, especially costs for quality check, delivery, transportation, labor and manipulation cost, ensuring alternative manufacturing etc.

In case the whole lot of Goods or assembly parts the Goods are installed in should be replaced, the Supplier would pay the expenses required to replace the whole lot of Goods.

On the Supplier's request the Customer will send back the defective goods he has an access to. The Supplier is informed about the fact that the Customer sends back defective Goods from customers only randomly for the purpose of analyses and the Supplier would not require to send back all defective Goods. The Supplier bears the costs of sending defective goods back including all extra expenses.

The Supplier is liable to the Customer for any damage that is caused in connection with the supply of defective Goods or in connection with non-delivery of all Goods in accordance with the order. It concerns especially disassembly and assembly costs, transport costs, error analyses, compensation of personal expenses, additional cost of purchase, cover, material, scrapping and the third parties' claims for damage compensation.

In case other parties than the Supplier are also responsible for damages, the Supplier is liable up to the amount of damage in the scope he caused himself or

the persons authorized by him including the sub suppliers caused or have their share in the caused damage.

The period of limitation starts on the day the Supplier was informed about the defect and lasts for 10 years.

#### **15. Supplier's Withdrawal from the Contract**

If the Supplier was prevented from fulfilling the supply, he is entitled to withdraw from the contract on the grounds of the written agreement with the Customer also in the following cases:

- strikes, force majeure (also for sub-suppliers), inevitable operational malfunctions;
- delivery of incorrect or incomplete documentation by the Customer;
- delivery of insufficient quantity of faultless parts or material, which is to be provided by the Customer in accordance with the agreement.

#### **16. Customer's Withdrawal from the Contract, Notice**

The Customer is entitled to withdraw from the contract immediately with no responsibility to the Supplier if: a) The Supplier declared insolvency b) the insolvency proposal is given for the Supplier, d) the Supplier is put into liquidation, e) the Supplier died, f) the Supplier lost qualification to run business.

The Customer is entitled to partially or completely withdraw from the contract with no responsibility to the Supplier if the Supplier: a) breaches any condition of the contract, b) does not fulfill any of his obligations following from the contract, c) claims that he will not fulfill his obligations.

The Customer is also entitled to terminate the contract fulfillment (or its part) in the form of the written notice to the Supplier without giving reasons with the notice period of 6 months. The Customer is not liable to Supplier for any reported losses or expenses.

#### **17. Property Right, Retention of Title**

Property right for the purchased Goods goes to the Customer at the moment of its supply.

All information and materials (including, for example certificates, standards, specifications, samples) which the Customer provides the Supplier with for the purpose of fulfilling the contract and all tools, inventions and rights to the intellectual property remain the exclusive property of the Customer. The supplier is not entitled to use any Goods manufactured using the Customer's property for his own purposes or sell them to the third party without the explicit written consent.

The Customer reserves the retention of title for the objects supplied by the Supplier. These objects will be processed or reworked by the Supplier only for the Customer. In case the objects are processed or mixed with other objects that do not belong to the Supplier, the Customer will get the co-ownership to a new object relative to the value of his object (the purchase price plus VAT) and other processed objects at the time of processing.

#### **18. Means of Production, Guarantee of Ownership**

Tools, facilities, machines or any other means of production (hereinafter referred to as "means of production") which the Customer gave the Supplier remain the property of the Customer. Means of production provided or produced by the Supplier and paid by the Customer or which will be amortized in the price of Goods will become the property of the Customer at the moment they are set going. These means of production should be used only for the purposes determined by the Customer.

The Supplier is obliged to handle the means of production carefully, maintain, inspect and repair them on time at his own expenses. The Supplier is obliged to inform the Customer about eventual failures and fix them as soon as possible. In case the Supplier does not do this by his own fault, he is obliged to compensate the Customer any damage this caused to the Customer. At the same time the Supplier is obliged to insure these means of production at his own expenses at least for the risk of fire, water, impact of the environment, burglary and vandalism and insure the operation responsibility in the amount of reproduction value.

The changes of the means of production can be made only with the explicit written consent of the Customer. In case the Supplier breaches his obligations following from the Conditions or the parties do not come to agreement concerning the request for change of the price of the goods or their part

produced with the Customer's means of production or concerning other matters within the order fulfillment, the Customer may take away these means of production and all necessary documents related to them. They will be handed over in the Customer's place of business, the Supplier bears the expenses of the hand over.

The Supplier should store the means of productions and documentation that the Customer did not ask for 15 years after the end of series production free of charge. Subsequent liquidation can be performed only with the consent of the Customer.

#### **19. Insurance**

The risks the product defects or the responsibility for assembly, disassembly and cancellation cause should be insured.

The Supplier undertakes to conclude an insurance contract for the operation and the responsibility for damage caused by the defect of the product with the coverage at least 10 million EURO for each damage. The Customer claims for damage compensation from the Supplier remain unaffected. The Supplier is obliged to inform his insurer about the obligation in accordance to these Conditions to absolve the Customer from the claims of the third parties and to compensate him damage caused to him in connection with the mentioned above.

The Supplier is obliged to prove that such insurance exists at the Customer's request. Unless the Supplier fulfills his obligation to conclude the insurance contract within the additionally determined adequate period of one calendar month since the Customer requested him to prove that such insurance contract was concluded, The Customer is entitled to conclude such insurance contract himself to the benefit of the Supplier and at the Supplier's expenses.

In case the caused damage exceeds the respective amount of insurance coverage or in case the insurer completely or partially rejects his obligation to pay and for any other reasons the Customer's claims for damage compensation to the Supplier are not affected.

The Supplier should have this insurance for the whole period his services or products are delivered to the Customer.

#### **20. Force Majeure**

In case the contracting party is prevented from fulfilling its contractual obligations temporally or permanently by the extraordinary non-predictable and insurmountable obstacle which originated independently on this contracting party's will ("force majeure"), the contracting party is free from the obligation to provide the service or fulfillment for the period of time such obstacle lasts. This is valid also when it happens at the moment the affected contracting party is in delay.

In case it may be expected that the Supplier will continue breaching his contractual obligations fulfillment due to the force majeure for the period of time longer than 4 weeks, the Customer is entitled to withdraw from the contract partially or completely. The same is applicable if waiting is intolerable for the Customer.

The Supplier is entitled to withdraw from the contract in case such obstacle lasts longer than 4 months and he is not interested in fulfilling the contract any more.

#### **21. Transfer of Rights, Sub-suppliers**

The Customer is entitled to give the existing orders to his sub-suppliers with the conditions unchanged.

The Supplier is not entitled to give any of his liabilities that follow from the contract as a sub-supply without receiving the Customer's written consent in advance. In case the Customer approved contracting some work out as a sub-supply, the Supplier will ensure that the sub-supplier accepts the obligation to be bound by the obligations of the contract concluded between the Customer and the Supplier.

In any case the Customer is entitled to verify from the Supplier and his sub-supplier that the Goods or services contracted as a sub-supply meet the specified requirements any time before or after the sub-supplier was or was not approved by the Customer.

The Supplier is not entitled to use this verification as a proof of the efficient check of the quality of the sub-supplier. The verification the Customer performs does not relieve the Supplier of liability for supplying faultless goods and does not prevent from rejecting the goods by the Customer.

**22. Secrecy**

The obligation of secrecy is regulated by the Mutual Confidentiality and non-disclosure Agreement. Together with this contract the Supplier undertakes not to make public his business relations with the Customer for example to use his logo in advertising materials, tender bids etc. without his prior consent.

At the same time the Supplier is obliged to bind his sub-suppliers and other persons he involved to keep secrecy in a proper way.

The Customer or a person authorized by him undertakes to keep secrecy for the matters that concern the Supplier in the same way at visits or conducting audit.

**23. Right of User, Right of Protection**

The Supplier guarantees that he is a legitimate owner of all necessary rights of intellectual and industrial property that concern the supplied Goods. The Supplier grants the Customer the nonexclusive transferable right to use the Goods not limited in time and location and agrees with the fact the Customer will use the supplied Goods. The Supplier grants the Customer all appropriate rights required in order to use the supplied Goods namely the rights of intellectual or industrial property. The Customer is entitled to use software and documentation that go with the Goods. The Supplier agrees that the supplied Goods will be sold by the Customer to the third persons and guarantees that no rights will be breached by this. In case granting or using these rights is conditioned by special registration the Supplier is obliged to provide the Customer with such registration. The fee for using all specified above rights of intellectual or industrial property or the payment made by the Supplier in relation to this regulation of the Conditions is included into the agreed upon prices. No special fee for the use of the above mentioned rights will be paid. The Supplier undertakes to compensate the Customer possible damage that could be caused to the Customer as a result of the breach of the Supplier's obligations mentioned above.

In case the third parties lay claims to the Customer in this context, the Supplier is obliged to relieve the Customer from these claims at the first request, without the Supplier's consent the Customer is not entitled to conclude any contracts with the third parties especially to make settlements in this context. The Supplier is obliged to compensate the Customer damage that was caused to him as the result of the mentioned above. The possibility to apply compensation for damage to the Supplier becomes statute-barred 10 years after the Goods were supplied to the Customer.

**24. Licenses, Copyright, Intellectual Property**

Any ideas, inventions, concepts, discoveries, copyrights, patents, drawings, trademarks, commercial secrets, know-how and other intellectual and industrial property regardless of the fact if they are registered or not owned or invented by the Customer in relation to the contract remain his exclusive property.

The Supplier, his sub-suppliers and customers are not entitled to make copies, repair, rebuild or reconstruct either themselves or with the help of the third person any supplies provided on the grounds of the contract between the Customer and the Supplier without prior written consent of the Customer.

All purchased goods, tools (including accessories, templates, preparations, samples, casts, shapes together with all relates accessories and details) delivered by the Supplier and paid by the Customer on the basis of the contract between the Customer and the Supplier together with all intellectual property rights related to them are exclusively owned by the Customer. The Supplier will share these details and information with the Customer and forward them to him as soon as possible. If on the basis of the contract with the Customer the Supplier will create any ad hoc piece of work, among others software which the Customer will pay within the frames of the contract this piece of work is considered being created for payment and to the extent it is not the Supplier will grant the Customer all rights, title and the share in all rights of intellectual property to this piece of work.

**25. Severability**

In case any of the regulations of these Conditions becomes completely or partially invalid, ineffective or unrecoverable the rest of the regulations of these Conditions remain unaffected. The parties undertake to substitute invalid, ineffective or unrecoverable regulations with those the meaning of which is the closest to economic, and legal purpose of such regulations.

**26. Ineffectiveness of Limitation, Exclusion of Liability**

In case the Supplier limits his liability and/or excludes it from his general business conditions, such regulations are ineffective for the Customer. This is valid first of all for limitation of liability for delays of supply caused by the breach of insignificant contractual obligations as well as infliction of property damage and subsequent property damage as a result of negligently as well as liability for compensation of damage of employees, workers, co-workers, representatives or the third parties authorized by the Supplier to fulfill his obligation.

**27. Anti-corruption clause**

The Supplier in connection with performance of this contractual relationship undertakes to comply with the requirements of the applicable anti-corruption legislation and refrain from any actions that may be in accordance with relevant legislation categorized as crimes of bribery or become a cause of such breach or prosecution of Customer, not to demand, receive, offer, authorize, promise or make illegal payments directly, via third parties or as an intermediary, including but not limited to bribes in monetary or in any other form to any individuals or entities including but not limited to business corporations, government and local authorities, public officials, state and non-state companies and their representatives or their employees.

In case of breach of the above mentioned anti-corruption liabilities by the Supplier, Customer is entitled to abstain from executing all or part of the contract or to suspend the execution of the contract by sending a written notice of it until the causes of such breach are eliminated.

**28. The Decisive Right and Competence of Court**

These Conditions should be interpreted in accordance with the laws of the Czech Republic which regulate the relationship between the Supplier and the Customer and collision regulations of international private legislation and the regulations of the UNO Convention concerning contracts and international purchase of goods are excluded. Possible disagreement between the Contracting parties will be solved by the general court locally competent by the seat of the Customer registered in the Commercial Register.

**29. Effectiveness and Changes of the Conditions**

These Conditions are binding from the date of their announcement until further notice. For the contractual relations concluded before these business conditions were announced, are binding one month after their announcement. The moment of announcement is a moment when the notification was sent to the Supplier or the moment when the Conditions are made public at the web-site of the Customer: [www.nvisioncz.com/ems/documents-for-download/](http://www.nvisioncz.com/ems/documents-for-download/).

The Customer reserves the right to modify the Conditions ex parte.

In case the Conditions are changed the Supplier is entitled to serve a notice to the Customer no later than one month from publishing the Conditions, otherwise it is believed that the Supplier agrees with the change of the Conditions and is obliged to adhere them.

These Conditions are valid and effective as of May 15, 2017.

For and on behalf of Supplier

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Signature

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Name

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Title

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Date