

GENERAL TERMS OF COMMERCE (PURCHASING)

Version 1/2009

I. Introduction

1. These General Terms of Commerce (Purchasing) are an inseparable part of all Purchase Contracts concluded between TATRA, a.s., registered address at Areál Tatry 1450/1, Kopřivnice, ZIP Code 742 21, Czech Republic, Company ID No. 451 93 444, as the Buyer.
2. Explicit provisions between contractual parties of the Purchase Contract different from the General Terms of Commerce (Purchasing) have priority over provisions included in these General Terms of Commerce (Purchasing).

II. General provisions

1. By the Purchase Contract, the Seller undertakes to supply the Buyer with a movable thing (Goods) specified individually or in terms of quantity and sort, and to transfer a title to this movable thing (Goods) to the Buyer, whereas the Buyer undertakes to pay a purchase price.
2. The Purchase Contract shall be executed in a written form, whereas individual expressions of will may be stated outside this instrument. The Purchase Contract usually has a form of a confirmed order.
3. After the Seller receives the order, they shall confirm the order to the Buyer within 5 (five) days at the latest. Unless the Seller disagrees with the delivery time, the order shall be understood as confirmed and binding.
4. A response to the offer which may be taken as an acceptance of the offer but contains any supplements, limitations or any other changes shall always be regarded as a new offer and requires acceptance by the Buyer.
5. Timely acceptance of the draft proposal shall be effective upon the agreement to the draft contents are delivered to the proposing party. Late acceptance of the draft proposal shall be considered as timely acceptance only if the proposing party, without unnecessary delay, informs the party which the proposal has been addressed to by fax or electronic communication.
6. The concluded Purchase Contract is the only and absolute document between contractual parties on the same matter. All previous agreements between contractual parties on the same matter, both written and oral, shall become invalid upon the conclusion of the Purchase Contract, unless their ongoing validity has been explicitly agreed by the Purchase Contract with the exception as per Article VIII, Section 5.
7. The subject of the Purchase Contract is only the Goods explicitly stated and determined in the Purchase Contract.
8. The Seller shall be responsible for the Goods not being encumbered with any third parties' rights which would in any way limit or restrict, or make it impossible for the Buyer to either acquire or use them. If the Seller uses for the production of the Goods things which have been supplied by the Buyer for this purpose, this provision shall not be applied to these things.
9. Among others, internal Seller's reference, i.e. the so-called stock item number, shall always be quoted particularly in the order, Purchase Contract, delivery note and invoice when referring to the individual items of the Goods.
10. A substantial term of the Contract is, besides terms stipulated by the Commercial Code, a delivery time and/or delivery date.

III. Prices

1. The purchase price shall be agreed by both contractual parties.
2. The purchase price shall mean within the delivery clause, FCA, Seller's ramp, Seller's manufacturing plant as per INCOTERMS 2000, unless contractual parties have in advance agreed otherwise.
3. The agreed purchase price, usually with repeated orders, may also have a form of a price list. In such case, the order, offer and Purchase Contract shall contain reference to the exactly specified price list. The price list may only be changed if both parties have agreed so.

IV. Payment terms

1. The Buyer undertakes to pay the purchase price on the basis of the Seller's invoice. Two copies of the invoice having a form of an original shall be delivered to the Buyer.
2. The Seller's right to issue an invoice arises upon the performance of the supply.
3. The Seller shall send the invoice to the Buyer without unnecessary delay after his right to issue an invoice arises. The invoice may also be delivered personally.
4. The invoice shall contain all the necessary information and parts of a tax document and a commercial instrument. The invoice shall, i.a. contain a title of the Goods, their type description, Seller's internal reference, quantity of goods, a full number or reference to the Buyer's order or the Purchase Contract, a taxable payment date, an invoice issue date, an invoice send date, consignment note ref. No., and Seller's bank connection.
5. The invoice is due within 60 (sixty) days after proper supply performance unless pre-agreed otherwise by the contractual parties.
6. The purchase price shall be paid on account by bank transfer on the Seller's account stated on the invoice.
7. Settlement means putting the agreed purchase price down to the Seller's account.
8. If the supply is defective, the maturity of the invoice shall be extended by the time needed for the defects to be eliminated.
9. Without a prior written approval of the Buyer, which, however, shall not be rejected groundlessly, the Seller is not entitled to transfer their receivables towards the Buyer to any third parties.

V. Delivery terms

1. The Seller shall supply the Goods properly and on time within the period agreed by contractual parties in the Purchase Contract.
2. All the delivery terms shall conform to international rules for interpretation of delivery clauses (INCOTERMS 2000) issued by the International Chamber of Commerce based in Paris.
3. The delivery clause for the Purchase Contract is the delivery clause FCA, the Seller's ramp, the Seller's production plant as per the INCOTERMS 2000 unless it is pre-agreed differently by the contractual parties.
4. The Seller shall inform the Buyer via fax or email 3 (three) working days beforehand at the latest that the supply is prepared to be carried out.
5. Each supply shall contain a delivery note attached by the Seller. The delivery note shall always at least include a full number or reference of the Seller's order or of the Purchase Contract, date of the handover of the Goods to the carrier, title of the Goods, type description, Seller's internal reference, quantity of individual items of the Goods, sort and quantity of packing materials, method of transport, vehicle registration

number, carrier's confirmation on quantity control carried out during the takeover of the Goods for transport.

6. The Seller is bound to ensure the carrier's quantity control of the Goods during the takeover of the Goods for transport as well as the carrier's confirmation on such control in the delivery note.

VI. Packing and packaging

1. The Goods shall be delivered, on the Buyer's request, in returnable packaging.
2. The pallet shall correspond with the Goods' type and nature. The pallet shall also meet requirements regarding the goods safe transfer.
3. The Goods shall be wrapped or packed and transported so that they cannot be damaged either by mechanical, atmospheric or other influences.
4. The packaging shall bear a label, as instructed by TATRA, a.s., (see the Appendix) or the following details: Seller's name, Buyer's stock item No., type of goods, quantity of Goods in the packaging, Purchase Contract reference No. (Buyer's order No.). The packaging shall be marked in such manner as to prevent the markings/labels from being destroyed or damaged neither in transit nor while being stored.

VII. Interest on late payment, contractual penalties, indemnity

1. If the Buyer delays in paying the purchase price, the Seller is entitled to require the Buyer to pay contractual interest on late payment, the amount of which shall be calculated according to the Government Order No. 142/1994, Statute Book, which defines the amount of interest on late payment and a late payment charge according to the Civil Code as amended.
2. If the Seller delays in supplying the Goods, they shall pay the Buyer a contractual penalty in the amount of 5% (five per cent) of the total purchase price.
3. If the Seller delays with the delivery of the Goods and as a result, the Buyer's production line in Kopřivnice is stopped, the Buyer may claim a penalty of CZK 64,680.00 (sixty-four thousand six hundred and eighty Czech crowns) or EUR2,640.00 for each hour of the time the production line is stopped.
4. For the case if the obligation as per Article XVII, Sections 3 and 6 of these General Terms of Commerce (Purchasing) is violated, the contractual parties agreed a contractual penalty in the amount of CZK 1,000,000 (one million Czech crowns) for each violation found.
5. Provisions on the contractual penalty do not have any influence on a possible liability to pay indemnity which is a separate claim and shall be settled in full amount as it was caused and proved.

VIII. Quality requirements

1. The Seller is liable for production of the Goods as per a certified quality system, at least as per the EN ISO 9001 standards.
2. The Seller is obliged to produce the Goods or to ensure its production so that quality and parameters of the Goods fully comply with the approved technical documentation, mutually agreed PPAP including the technical drawing of the Goods, country standards, legal regulations and quality standards.
3. Before supplies are started, the Seller and the Buyer shall agree technical terms and conditions.
4. Technical terms and conditions mean a technical document which is, upon being approved by the contractual parties binding and which, in terms of quality and quantity, defines the Goods including the Goods' features which shall not change

throughout the life cycle of the Goods. Technical terms and conditions further can define terms and conditions for production, control, testing, operation, maintenance, repairs, checks, packing, storage, transport, marking and disposal of the Goods.

5. Draft technical terms and conditions shall be prepared in compliance with the Buyer's draft proposal and submitted by the Seller well in advance so the terms and conditions can be agreed on time as per Article VIII, Section 2 of these General Terms of Commerce (Purchasing).
6. Technical terms and conditions approved by the contractual parties are considered to be valid even though the contractual parties' consensus was reached before the Purchase Contract conclusion.
7. Any change in the course of production of the Goods is subject to prior approval of both parties.
8. Each item of the Goods shall be marked with
 - producer's brand, trademark or logo,
 - identification number of the Goods (product),
 - production code including production date,
 - further marks if required by generally binding legal regulations, homologation regulations, approved technical documentation or Purchase Contract.

The marking method, its form and place shall be agreed by the contractual parties unless it is determined in the approved technical documentation.

9. Before production of the Goods is launched, the Seller is obligated to introduce and further use monitoring and measuring of products (the Goods) in the production process, i.e. to introduce and use a quality control system beginning with input control of purchased materials, semi-finished products and parts, subsequent production checks and tests and final output control of finished products (the Goods).
10. The Seller shall be responsible that the system of control checks and tests introduced in the Seller's facilities creates conditions for the Goods to be released by the Buyer for further processing, assembly or other use without any subsequent control checks and tests carried out by the Buyer.
11. On the Buyer's request, the Seller is obligated to submit to the Buyer methodology systems which such control, checks and tests are based on. Such submission means that the copies of the original documentation are passed to the Seller or that the Seller is allowed to see the original documentation.
12. The Seller shall keep conclusive records of all the checks, measuring and tests carried out in the course of production of the Goods as they are required by the approved documentation. Such records shall be kept on file at least for the period of 5 (five) years, in the case of "D" parts for 10 (ten) years.
13. On the Buyer's request, the Seller is obligated to submit for the Buyer's verification reports on checks, measuring and tests of the Goods which were carried out during the course of production of the Goods. Such reports shall be submitted even though they are not, as per these General Terms of Commerce (Purchasing) or the Purchase Contract, a part of a supply of the Goods.
14. The Seller shall attach to each supply of the Goods Quality certificate of the Goods, which confirms that the Goods comply with the approved technical documentation and were released by the Seller to be supplied. Any supply is not performed properly without the Quality certificate of the Goods, and the Buyer is entitled to refuse to accept the Goods. The Quality certificate of the Goods can be a part of the delivery note.
15. If determined in the approved documentation or if agreed by the contractual parties in the Purchase Contract, the Seller is obligated to supply with the Goods a Report

including results of required checks and tests. Any supply is not performed properly without such Report, and the Buyer is entitled to refuse to accept the Goods.

16. The Seller shall be responsible that the Goods which are subject to provisions of Act No. 22/1997 on technical requirements regarding products and on change and amendment of some acts, Statute Book, as amended, meet requirements of the relevant technical regulations valid in the Czech Republic and that the Seller observed procedures used to assess their compliance.
17. On the Buyer's request, as per Article VIII, Section 17 of these General Terms of Commerce (Purchasing), the Seller shall provide the Buyer together with the Goods copies of relevant EC Conformity Certificates or Conformity Certificates.
18. The Seller is entitled to carry out, at their own discretion, tests and checks of the Goods to verify that the agreed quality features and parameters of the Goods have been met.
19. The Seller is entitled to carry out an audit at the Seller's facilities or in the facilities of the Seller's sub-suppliers participating in the supply of the Goods in any way in order to verify whether the measures taken to ensure quality comply with the Buyer's needs. Such audit can be carried out within the full range of the system, production process or product. The Seller shall make such audit possible to be carried out by the Buyer.
20. If there are any discrepancies found during the audit as per Article VIII, Section 20 of these General Terms of Commerce (Purchasing), the Seller shall agree with the Buyer and set and carry out a plan of remedial measures to eliminate them.
21. The Seller's sub-suppliers participating in supply of the Goods in any way are subject to the same rules and regulations in the quality management system area as the Seller, which the Seller is obligated to ensure.

IX. State verification of quality

1. The Seller agrees that in cases when the Buyer uses the Goods in or with their final products within so-called public tenders, the Goods may undergo state verification of quality as per Act No. 309/2000 on defense standardization, cataloging and state verification of quality of products and services intended to ensure state defense, and on change of Trade Act, Statute Book, as amended, and as per the EN ISO 9001 or ČOS-051622 standards or standards which can possibly replace the standards explicitly stated herein.
2. The state quality verification scope is defined in a separate annex to this Purchase Contract.

X. Guarantee of Quality

1. The Seller shall provide a guarantee of quality on the Goods for the period of 24 (twenty-four) months after the Buyer's final product, a part of which the Goods are, is delivered to the Buyer's customer, or after the Goods are supplied to the Buyer's customer as a spare part.
2. The guarantee is, however, always provided for the period not longer than 30 (thirty) months after the Goods are supplied to the Buyer.

XI. Liability for defects, complaints (claims for defects of the Goods or quality guarantee claims)

1. The Seller shall supply the Goods in the quantity, quality and form stipulated by these General Terms of Commerce (Purchasing) and the Purchase Contract.
2. The Seller shall pack or wrap the Goods for the transport in the way stipulated by these General Terms of Commerce (Purchasing) and the Purchase Contract.

3. If the Seller violates the obligations stipulated in Article XI, Sections 1 and 2 of these General Terms of Commerce (Purchasing), the Goods are defective.
4. Pursuant to Act. No. 513/1991, Statute Book, Commercial Code as amended (hereinafter only referred to as “Commercial Code”), these General Terms of Commerce (Purchasing) and the Purchase Contract, delivery of Goods different from the ones stipulated by the Purchase Contract, as well as mistakes in documents shall be considered as defective Goods.
5. The Goods are defective from the legal point of view, if there is any third party’s right placed on the Goods.
6. Liability for defects shall be regulated by provisions of the Commercial Code.
7. Complaints about supplied quantity can be filed within 10 (ten) working days after the Buyer takes the Goods over.
8. Liability claims for defects found before the Goods (products) are processed, as well as quality guarantee claims shall be filed in a written form by the Buyer with the Seller without unnecessary delay immediately after they are found out. The contractual parties shall consider the claim to be filed in a written form if such claim is provided in writing, via fax or email. The Seller shall, at their own expense and without unnecessary delay, supply perfect, non-defective or missing goods, repair them or take such measures which ensure that the Buyer’s assembly smoothness is not jeopardized. Appropriate action shall be taken immediately after the Seller receives such claim for a defect from the Buyer. The Seller is liable to the Buyer for any damage caused by violation of this obligation. The period, when the claimed goods are checked and assessed by the Seller, shall not exceed 5 (five) working days from the date when the claim is filed by the Buyer with the Seller. After the expiry of this period the Buyer is entitled to send the Goods back to the Seller at the Seller’s expense. The Seller shall also pay expenses incurred by the Buyer in connection with storage of the Goods.
9. Complaints about hidden faults in the Goods (products), i.e. faults found during vehicle assembly, shall be sent to the Seller in writing and without unnecessary delay after their occurrence. The Seller is obligated to repair the faults free of charge or replace the Goods (products) with faultless products within 5 (five) working days after being notified by the Buyer at their own expense if the Seller admits the complaint is justified. “If the complaint about the Goods is found justified, the Seller is obliged to pay the Buyer a penalty of EUR 10,000 for handling the complaint and 150% (one hundred and fifty per cent) of the part price for faults which occurred within the EU and 250% (two hundred and fifty per cent) of the price of the parts for faults which occurred outside the EU, and hourly costs for the repairs in a specific country plus other costs incurred and connected with removal and replacement of faulty products, as well as costs connected with processes necessary to detect the faults of the goods (measurements, analyses and other tests). Removal and replacement costs of faulty products shall be charged by the Buyer separately and shall be paid to the Seller: an invoice shall be issued with a 30-day due date (thirty-day due date) after the sending date.
10. Claims regarding hidden defects of the Goods (products) found during the vehicle operation by the Buyer’s customer shall be dealt with in the Buyer’s service network or by properly trained employees of the Buyer.
The Buyer shall file claims to the Seller in a written or electronic form. The Seller is obligated to provide a written opinion on rightfulness and justifiability of the claim within 5 (five) working days after the claim is taken over. If the claim is considered to be justified, the Seller shall pay the Buyer expenses related to such claim, such as price of replaced parts, costs spent on assembly and disassembly of such parts, and any

other possible and provable expenses. These expenses shall be, upon being mutually agreed, paid by the Seller on the basis of invoice issued by the Buyer and due within 30 (thirty) days after it is sent to the Seller.

The inland parts claimed shall be, on the Seller's request, supplied to be available for assessment of the defect claimed. The claimed parts from abroad shall remain, due to high transport expenses and customs duties, at the Buyer's contractual partner's facility in the relevant country where they shall be kept for the period of 6 (six) months so that they can be checked both by the Buyer's own inspection staff and by the Seller.

11. If the report on defects (excluding wrong quantity) is received and if the Buyer requests so, the Seller is obligated to
 - analyze the reason for the discrepancy and within 5 (five) working days inform the Buyer about the immediately taken remedial measures in the form of a 3D report; a complete 8D report shall be submitted by the Seller to the Buyer within 10 (ten) working days,
 - check the supply of perfect, non-defective Goods carefully and mark it in the way agreed with the Buyer,
 - separate all non-complying items of the Goods and items of the Goods justly suspected to be non-complying from complying items of the Goods in their production process and storages, and mark them clearly,
 - on the Buyer's request, provide the Buyer with documents and data according to which it is possible to find the defective Goods retrospectively,
 - observe all testing and checking measures taken to ensure supplies of complying items of the Goods,
 - observe the measures taken until the reason for discrepancy is eliminated, and also during the subsequent trial period the length of which shall be agreed with the Buyer.

XII. Spare parts

1. The Seller shall ensure the Buyer supplies of spares parts for the Goods for the period of at least 10 (ten) years after the end of supplies for the series production as per the purchase contract and under common market conditions.
2. The Seller undertakes not to sell goods solely developed for TATRA, a.s. to any third parties, otherwise a fine of EUR 10,000 may be required per each case found.

XIII. Process and procedures of parts approval

1. If requested by the Buyer, before series supplies are started, the Seller shall carry out proceedings regarding production process and process of approval and release of the Goods.
2. Supplies of the Goods from series production are possible to be started after the samples are approved by the Buyer. For this purpose the Seller shall provide the Buyer with agreed documentation and samples (test results) always including samples, a measurement protocol (basic production drawing), a cover note of measurement protocol and a check plan.
3. Proceedings regarding production process and process of approval and release of products mean a process of verification of the Seller's ability to produce and supply to the Buyer the Goods in the mutually agreed technical specification and quality, as well as in the case of design changes of the Goods (dimensions, material, features, functional parameters, etc.), in the case of substantial changes in technology of

production of the Goods, also if production of the Goods is interrupted for a period longer than 2 (two) years, as well as in other cases agreed by the Seller and the Buyer.

4. Samples shall be produced by means of technology equipment and methods intended for series production. The number of samples, terms and conditions, and deadlines for the sample proceedings shall be agreed by the contractual parties individually for each relevant case.
5. Samples shall be supplied by the Seller being identifiable clearly together with protocols and reports proving specific results of dimension checks, and material and functional tests carried out on samples by the Seller.
6. Samples of the Goods subject to the regime of Act No. 22/1997 on technical requirements regarding products and on change and amendment of some acts, Statute Book, as amended, shall be supplied by the Seller together with a copy of the EC Conformity Certificate. Samples of the Goods subject to homologation as per EEC regulations or EC regulations shall be supplied by the Seller together with Homologation Provision Certificate.
7. Consent with supply of the Goods based on results of the sample proceedings shall be issued by the Buyer in a written form within 30 (thirty) days at the latest after the samples are supplied. If the Buyer does not agree to the supply of the Goods based on results of sample proceedings, the Buyer shall, within the same period of time, issue their non-consent including its justification.
8. If the sample proceedings are finished by the Buyer's non-consent with a supply of the Goods, each contractual party is only entitled to performance or rights explicitly agreed by the contractual parties in the agreement on sample proceedings.
9. Successful completion of sample proceedings itself does not establish any Buyer's obligation to conclude with the Seller the Purchase Contract on supply of the Goods.

XIV. Liability insurance

1. The Seller undertakes to submit to the Buyer, at the latest on the effective date of the Purchase Contract, a document proving that the Seller has concluded a due third-party insurance for damage caused to third parties and liability insurance in the extent which the Buyer thinks adequate for the specific case.
2. Such insurance shall be kept valid by the Seller until all the claims and rights arising from the concluded Purchase Contract including claims related to quality guarantee are settled.

XV. Cataloging and codification

1. If the Purchase Contract subject is the Goods produced in the Czech Republic, the Seller is obligated, if requested by the Buyer in the form of a cataloging clause, to catalog the Goods according to the valid generally binding legal regulations and principles of the NATO codification system.
2. If the Purchase Contract subject is the Goods produced in any NATO membership country, with the exception as per the previous section, or in a country, the codification system of which is fully accepted by NATO AC/135 committee, the Seller is obligated to provide the relevant National Codification Office with data in the necessary scope and quality for the purpose of cataloging. The Seller shall follow the NATO manual for codification of items AcodP-1.
3. If the Purchase Contract subject is the Goods produced in countries different from those stated in Article XV., Sections 1 and 2 of these General Terms of Commerce (Purchasing), the Seller is obligated to supply data necessary for cataloging of items in

the Czech Republic or in the country of the end-user of the Buyer's final products as per the NATO manual for codification of items AcodP-1.

4. The Seller is obligated, without unnecessary delay, to provide the relevant National Codification Office and the Buyer with any information regarding changes affecting codification data of the Goods.

XVI. Protection of information

1. As regards any confidential information, as a whole or as individual parts, stipulated in Article XVI, Sections 2 to 5, and made available or made known otherwise by the Buyer to the Seller in connection with the Purchase Contract or negotiations regarding its conclusion, the Seller:
 - shall not either release, publish or made available otherwise such information to any third parties,
 - shall not use such information otherwise or for any other purpose different from the purpose agreed,
 - shall not either copy in any way, duplicate or copy such information for the purpose of back-up copies, etc., without the Buyer's prior approval,
 - shall keep, handle and process such information so as not to violate provisions of the Purchase Contract, these General Terms of Commerce (Purchasing) or law,
 - shall not use such information for their own benefit or for benefit of any third party unless stipulated in the Purchase Contract or in these General Terms of Commerce (Purchasing),
 - shall not misuse such information otherwise against the Buyer's interests.
2. Confidential information means any information of commercial, technical, financial, organizational and other nature directly or indirectly related to the Buyer, their specific employees, business partners, customers or suppliers; however, not only the information explicitly stated herein, but also any information recorded in any form or on any carrier, as well as oral information provided or otherwise made available to the Seller during negotiations regarding conclusion of the Purchase Contract, or made available on the basis and within the concluded Purchase Contract by the Buyer, members of their bodies, their employees, advisors, entities controlled by the Buyer and the like, specified by the Buyer as such ones.
3. The term "confidential information" means both a datum and a set of data recorded on a specific data carrier, as well as a relevant data carrier with the data recorded. Further, the term "confidential information" also includes messages or information sent in any form.
4. The term "confidential information" as per Article XVI, Sections 2 and 3 of these General Terms of Commerce (Purchasing) does not include information which is or will become publicly known during the effectiveness period of the Purchase Contract or of these General Terms of Commerce (Purchasing) in a way different from violation of obligations resulting from law, these General Terms of Commerce (Purchasing) or from the concluded Purchase Contract by the Seller, or violation of obligations by any third party.
5. The term "confidential information" as per Article XVI, Sections 2 and 3 of these General Terms of Commerce (Purchasing) does not include information provably known to the Seller before made available by the Buyer. But such information must not be acquired by the Seller or any third party through an illegal action.

6. Confidential information passed or otherwise made available to the Seller as per these General Terms of Commerce (Purchasing) or as per the concluded Purchase Contract is and shall remain the Seller's exclusive property.
7. Obligations as per these General Terms of Commerce (Purchasing) and as per the concluded Purchase Contract do not restrict a possible obligation of the contractual parties to provide information and notifications to governmental or other bodies, particularly to courts and the police, if such obligation arises from a generally binding legal regulation or a legitimate decision issued on the basis and in compliance with a generally binding legal regulation.
8. The Seller undertakes to return the confidential information acquired on the basis or in connection with these General Terms of Commerce (Purchasing) or with the concluded Purchase Contract to the Buyer within 10 (ten) days after the Seller is requested by the Buyer to return the confidential information. Within the same period of time, the Seller is simultaneously obligated to destroy all copies, extracts, duplicates, etc., of the confidential information, as well as to delete irrevocably the confidential information from IT and audio-visual means or from any other similar technology. The fact that the confidential information has been destroyed and deleted shall be confirmed by the Seller to the Buyer through a statutory declaration handed over to the Buyer along with return of the confidential information.
9. The Seller undertakes they shall deal with personal information pursuant to Personal Information Protection Act No. 101/2000, Statute Book

XVII. Industrial rights

1. The Seller is liable for the fact that the Goods, either as a whole or as individual parts, do not violate either industrial or any other similar third parties' rights.
2. The Purchase Contract does not grant any license to the use, nor in any way transfers any right to inventions, patents, industrial designs, utility models, trademarks, the company, know-how, copyright, nor to any other forms of industrial or intellectual property.
3. If the Goods are produced according to the Buyer's technical documentation, which the Buyer has provided to the Seller for this purpose, or made it available for the Seller to get to know it, the Seller may not produce and supply products (Goods) to any third party according to this technical documentation.
4. The Seller may not file any technical solution which is included in the Buyer's technical documentation as stipulated in the previous section, nor make its filing for the industrial legal protection possible through any third party.
5. The Seller shall notify the Buyer in writing of using all their own patents, utility models and industrial designs on the Goods, as well as of the license use of patents, utility models and industrial designs. Neither own, nor license industrial rights to the Goods may exclude or restrict import of the Buyer's final products.
6. The Seller may not use any models, matrices, templates, patterns, tools or any other production means, tooling, jigs and equipment the Buyer has the Seller provided with for the purpose of production of the Goods, or which the Buyer has paid for to produce any goods intended to be supplied to any third parties.
7. The Seller and the Buyer shall, without any unnecessary delay, exchange information about fakes of the Goods, which they will learn of in the area of their business or operation, and shall provide each other with adequate and necessary help in order to make the sale of such fakes impossible in a proper and effective manner.

XVIII. Force Majeure

1. Any contractual party shall not be liable towards the other contractual party if the other contractual party delays or defaults on meeting any or all their obligations and commitments if such delay or default is caused by circumstances out of this contractual parties' control, which primarily means fire, thunderstorm, flood, earthquake, explosion or blast, breakdown or accident, war, terrorist act, sabotage, epidemics, quarantine restrictions, embargo, etc. (hereinafter referred to as Force Majeure). The contractual party which is claiming such case as a Force Majeure event shall, without any unnecessary delay, inform the other contractual party in a written form about any effect of such Force Majeure event.
2. If the effect of a Force Majeure event lasts without interruption for the period longer than 3 (three) months, the other contractual party is entitled to withdraw from this contract through a written notification made to the party which claims the case as a Force Majeure event.

XIX. Jurisdiction, disputes

1. All the legal relationships between the contractual parties established in connection with and on the basis of concluded Purchase Contracts and these General Terms of Commerce (Purchasing) are subject to the law and legislation of the Czech Republic, excluding the Vienna Convention on Purchase Contracts of 1980.
2. If the Seller is a domestic entity in terms of generally binding legal regulations of the Czech Republic, all the disputes arisen between the contractual parties from the concluded Purchase Contracts and these General Terms of Commerce (Purchasing), shall be primarily dealt with through mutual negotiations between the contractual parties. If a specific dispute is not settled within 30 (thirty) days after it occurred, the dispute shall be, upon a proposal made by any of the contractual parties, decided by the subject and locally relevant court.
3. If the Seller is not a domestic entity in terms of generally binding legal regulations of the Czech Republic, all the disputes which will arise between the contractual parties from the concluded Purchase Contracts and these General Terms of Commerce (Purchasing) and which will not be settled through mutual negotiations between the contractual parties within 30 (thirty) days after the dispute between the contractual parties occurred, the dispute, upon a proposal made by any of contractual parties, shall be solely and finally decided by the Arbitration Court at the Chamber of Commerce of the Czech Republic and the Agrarian Chamber of the Czech Republic based in Prague, Czech Republic, according to its Rules and Regulations by the senate consisting of 3 (three) arbiters appointed also in compliance with the Rules and Regulations of this Arbitration Court. The arbitration proceedings shall be held in Prague in the Czech language.

XX. Final provisions

1. Annexes are an inseparable part of the Purchase Contract.
2. The Purchase Contract may be changed or amended only by supplements made in a written form.
3. Annex 1. Delivery label