

# GENERAL PURCHASING CONDITIONS OF THE MATADOR GROUP



Valid from: June 2016

## General Purchase Conditions of the company MATADOR GROUP

### 1. Initial Provisions

#### 1.1 Definitions

**Price** - Price for the Goods delivered agreed upon between Contracting parties in the Contract. It shall not be possible to amend the agreed Price unilaterally. It shall be possible to agree upon the Price for concrete supplies of the Goods or for a certain time period.

**Authorizations** - Valid and effective authorizations of the Supplier for his undertaking, manufacturing and supplying of the Goods including incident concessions, accreditations, certificates or other confirmations issued by the public authorities or other empowered subjects.

Authorizations shall also include **the statute of the approved exporter** granted by the competent customs or other agency in case of the Suppliers from countries outside of the European Union, between which and the European Union the Free Trade Agreement or other agreement, which provides the possibility to release the Goods imported by the Supplier to the Buyer from the import customs duties or preferential decreasing of the import customs duties, is concluded.

**CISG** - United Nations Convention on Contracts for the International Sale of Goods.

**CRJ** - Council Regulation (EC) No.44/2001 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters, as amended. 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters).

**Taxes** shall be VAT and any other respective taxes, custom duties, tariff rates or other payments to public budgets.

**Dispatch note** - Dispatch note issued by the Supplier, on which Buyer, in compliance with the General Purchase Conditions (GPC) or with the Contract confirms the due and timely delivery of Goods by Supplier to Buyer. Dispatch note shall include the data stated in GPC.

**Supplier** - Legal entity, natural person or other entity at whom the Buyer has made an order for Goods and who will supply the Goods to the Buyer. Supplier shall not be any third person at whom the Supplier has ordered transport of the Goods to Buyer.

**Confidential information** - (i) Content and subject-matter of the Contract, content of Orders, Invoices, Dispatch notes, Goods, Technical background documents, Instruments and rights of intellectual and industrial property, (ii) technical knowhow of Contracting parties and their trade secret, (iii) any facts about which the Parties have directly or indirectly learned about while performing their obligations and rights resulting from the Contract, (iv) any negotiations, discussions, correspondence and another written material directly or indirectly related to the Contract and/or other facts stated in point (i), (v), and any other facts, documents and information which the Contracting parties will mark as confidential or whose confidentiality stems from their nature.

**Invoice** - Invoice issued by Supplier to Buyer for the Goods supplied, by which Supplier has charged the Price for supplied Goods. Invoice is a tax document and shall include all data and information as per GPC and respective legal regulations.

**Instruments** - Technical means used for creating the Goods, which Buyer has provided to Supplier, or which Supplier has

made on the basis of the Technical background documents provided to Buyer at his costs or at Buyer's costs.

**OBZ** - Act No. 513/1991 Coll. the Commercial Code as amended, effective and forceful on the territory of the Slovak Republic

**Buyer** - Company that belongs to MATADOR GROUP, which is set forth in the Contract or on an Order as Buyer or a customer:

- **MATADOR Automotive Vráble, a.s.**, with its registered office at Staničná 1045, 952 12 Vráble, the Slovak Republic, Company registration No.: 31 411 801 • VAT, Registration No.: SK2020411272, registered in the Companies register of the District Court in Nitra, Section Sa, File No. 8/N,

- **MATADOR Industries, a.s.**, with its registered office at Továrenská 1, 018 41 Dubnica nad Váhom, the Slovak Republic, Company registration No.: 31 632 301, VAT Registration No.: SK2020437738, registered in the Companies register of the District Court in Trenčín, Section Sa, File No. 285/R,

- **DV, s.r.o.**, with its registered office at Továrenská 1, 018 41 Dubnica nad Váhom, the Slovak Republic, Company registration No.: 36 753 190, VAT Registration, No.: SK2022354807, registered in the Companies register of the District Court in Bratislava I, Section Sro, File No. 45094/B,

- **MATADOR Automotive ČR s.r.o.**, with its registered office at České mládeže 1204/95, 460 06 Liberec, the Czech Republic, Company registration No.: 279 22, 901, VAT Registration No.: CZ27922901, registered in the Companies register of the Regional Court in Ústí nad Labem, Section C, File No. 33307,

- **MATADOR Automotive Rus, s.r.o.**, with its registered office at Júliusa Fučika 6-B, Nizhny Novgorod, the Russian Federation, Company registration No.: 1125256005896, VAT Registration No.: 5256114574, registered in the Companies register of the Tax Office in district of Autozavod Nizhny Novgorod,  
- any other companies that belong to MATADOR GROUP.

**Order** - Order of the Goods made by Buyer and addressed to Supplier, which includes amounts and/or volumes of ordered Goods, Prices, delivery terms, maturity terms and other conditions determined by Buyer. Order shall also include a reference to GPC with GPC's effective date.

**OZ** - Act No. 40/1964 Coll. the Civil Code as amended, effective and forceful on the territory of the Slovak Republic.

**Offer** - Written offer of the Goods by Supplier for Buyer, carried out based on a written or verbal demand by Buyer, and which includes mostly the specification, quality, amount and price for the Goods, payment and delivery conditions, and the offer shall be valid as of the day of its issuance.

**Contracting party, Contracting parties** - Contracting parties (Buyer, Supplier) of the contractual relationship under the Contract.

**Technical background documents** - Any technical background documents, data, drawings, templates, models, matrices, samples, designs or any other information regardless of its character, form or nature provided by Buyer to Supplier in order to produce and or supply the Goods or Instruments or provided by him for Supplier on Buyer's costs.

**Goods** - Goods or services ordered by Buyer at Supplier's. Provision and delivery of services shall be also deemed Goods production.

**GPC** - These General Purchase Conditions. GPC are issued as other business conditions in compliance with provision 273 Paragraph 1 of OBZ. GPC form an inseparable part of the Contract and Order regardless of the fact if attached thereto. GPC shall be binding regardless of the fact if signed by Contracting parties. General Technical Purchasing Conditions for Producing Presses and Precautionary Principles of Connecting Devices to LAN MATADOR together with their annexes are both part of this GPC.

**Force majeure** - Any natural force or event which is not ruled or controlled by people, strike, war, uprisings, civil disorder, measures taken by public authorities including laws, other generally binding legal regulations and general rules, and any other material events which occur independently of Contracting parties' will. Primary or secondary insolvency shall not be considered Force majeure.

**Contract** - Contract that stipulates the contractual relationship between Buyer and Supplier, whose subject matter shall be regular supply and /or lump-sum supply of Goods by Supplier to Buyer. Contract also includes any separate Quality contracts or another contractual document which regulates quality requirements of production and/or delivery of Goods which is concluded or agreed by parties. In case that the Contracting parties have not concluded any Contract in written form or have not concluded any general contract, the Contract shall be deemed the actual Order accepted in compliance with GPC, together with the Dispatch note, whereas the Contract shall, in such a case, originate upon the moment of accepting the Order as per paragraph 2.2. GPC form an inseparable part of the Contract. Divergent provisions of Contract shall prevail over GPC if approved in writing by both Contracting parties in the same document, which holds signatures of authorized representatives of the Contracting parties.

**ZMPS** - Act No. 97/1963 Coll. on international private and process law, as amended, effective and forceful on the territory of the Slovak Republic.

**1.2** Unless stated differently in the Contract or GPC or unless Contracting parties agree otherwise, **(i)** any reference to a provision, legal regulation, GPC or Contract shall be deemed as reference to its amended version, including all previous changes amendments and annexes, **(ii)** any reference to a legal regulation shall be deemed as reference to Slovak legal regulation, **(iii)** any reference to an article, paragraph, point or annex shall be reference to article, paragraph, point or annex of GPC.

## **2. Ordering the Goods**

### **2.1 Offer**

Supplier shall submit the Offer within two (2) days after Buyer's demand. The Offer shall become binding for Supplier at the moment of its submission to Buyer. Unless explicitly stated otherwise in the Offer, upon issuance of the Offer for Buyer, the Supplier shall accept GPC valid on the day of offer submission to the Buyer. Offer shall be deemed accepted when confirmed fully by Buyer's Order. Provisions of the Offer which are in defiance of GPC shall not be taken into consideration, unless explicitly accepted in Order by Buyer. In case that the Buyer carries out an act directed to selection of Supplier (nomination, nomination letter, and alike) prior to Order, such act shall not be considered by Buyer as accepting the Offer, it shall not be binding for Buyer, and Buyer shall be entitled to amend or cancel such act any time. Each Supplier from the countries outside of the European Union, between which and the European Union the Free Trade Agreement or other agreement, which provides the possibility to release the Goods imported by the Supplier to the Buyer from the import customs duties or preferential decreasing of the import customs duties, is concluded, shall provide the statute of the approved exporter and prove the granting of such statute to the Buyer by sending the final decision of the competent customs

or other agency of his country granting this statute with the official translation to the Slovak or English language.

### **2.2 Order issuance**

Buyer shall issue Orders on his own forms, which he sends to Supplier in writing or by electronic system used between the Contracting parties. Written Orders shall be signed by Buyer or a respective authorized employee of Buyer. To deliver the Order, it is sufficient to send it via fax or register it in the electronic system used by Contracting parties.

Order also includes the Price agreed between Buyer and Supplier. In case that Buyer and Supplier have not agreed upon Price prior to sending the Order, the Price stated in Order shall be deemed quotation. Price shall also include production and travel costs for Goods supply, costs of observance of GPC and any Buyer's terms, principles and regulations, and any fees and remuneration for usage of any licences and sub-licences to intellectual and industrial property rights used for Goods production. Conditions of INCOTERMS 2010 shall be valid for commercial clauses.

### **2.3 Order acceptance**

If Supplier agrees with Order, he shall accept it by Order receipt confirmation. Acceptance shall be carried out by written confirmation of receipt and acceptance of Order by Supplier or a respective authorized employee, which shall be delivered to Buyer. In case that Supplier does not accept the Order within three (3) days after its sending, the Order shall automatically lapse. In case that the Order is delivered by means of electronic system used between the Contracting parties, the Order shall be deemed received at the moment of its registration in the system on Supplier's side. Order delivered by means of electronic system used between the Contracting parties shall be considered as accepted in the moment of its acceptance in the electronic system by means of a respective element or functionality of electronic system. In case that there is a Contract concluded between Buyer and Supplier which stipulates the relationships between the Contracting parties, or the Supplier expresses his agreement with these GPC in advance by other means, Supplier shall be entitled to refuse accepting the Order or object to a concrete Order solely due to

Force majeure reasons. Any other reason for refusal of Order acceptance or demurs against Order shall be invalid and shall not result in non-acceptance and non-commitment of Order. Objections against Order shall be reasoned and delivered to Buyer in writing by post or fax, and shall be signed by Supplier or a respective authorized employee of Supplier. Unless Supplier raises qualified objections against Order in writing in compliance with this paragraph 2.2 within three (3) days after its receipt, the Order shall be considered automatically accepted after this period has lapsed. Upon accepting the Order, Supplier shall also **(i)** accept these GPC, and at the same time declare and confirm that **(ii)** he is the holder of all Authorizations, which are necessary or required according the Contract, requests of the final customers and/or relevant laws for the execution of the delivery based on the Order, and that **(iii)** he will obey to and perform all conditions, covenants and duties according to the Order, Contract, GPC, all of their parts and annexes at his own costs and that **(iv)** he will observe and fulfil all his duties according to the general regulations governing the safety and protection of health in work, protection of environment, protection against fire, waste disposal and other relevant protection and other laws including technical and STN and including Buyer's internal regulations (internal regulations only if Goods are produced in and/or supplied to the Buyer's premises) and all of this at Supplier's own costs,

## 2.4 Changes and amendments of Order

Buyer shall be entitled to additionally change Orders, including the ordered amounts of Goods, changes of construction and production of the Goods, and alike. Changes and amendments of Order shall be delivered in the same way like Order and they must state which Order they relate to. Changes and amendments of Order shall be binding for Supplier. In case that the Price is increased or decreased as a result of changes and amendments in the Order, the Contracting parties shall agree upon a new Price that considers the changes and amendments of the Order. In case that the Contracting parties do not come to an agreement on the new Price which would consider changes and amendments to the Order, the original Order shall be binding and Buyer shall be entitled to terminate the Contract. In case that the changes and amendments to the Order are delivered prior to accepting the original wording of the Order, Supplier shall accept the Order automatically, including its changes and amendments delivered prior to Order acceptance by means of accepting the original wording of the Order or any change or amendment of this Order.

**2.5** Buyer shall be entitled to cancel the Order within seven (7) days after its receipt by Supplier regardless of the fact if Supplier accepted the Order within this period.

**2.6** Buyer may send to Supplier some perspectives or forecasts of Order development for longer time period stated by the Buyer or agreed upon with Supplier. Perspectives or forecasts of Order development help Supplier adapt the capacities and production. Perspectives or forecasts of Order development shall not be binding for Contracting parties and there are no rights or entitlements resulting from their non-compliance for Supplier. It is possible to deliver the perspectives or forecasts of Order development electronically, by fax or other means common between the Contracting parties, mostly through electronic systems.

## 3. Goods production and requirements on quality

**3.1** Upon production and supply of the Goods, Supplier shall be bound by Buyer's instructions. Buyer may instruct the Supplier also by electronic mail or via fax. Upon production and supply of the Goods, Supplier shall be bound by Buyer's Technical background documents and shall produce the Goods exclusively by Instruments, if provided in accordance with their definition.

**3.2** Supplier shall be obliged to supply the Buyer with the Goods duly, completely, in the agreed amount, quality and periods stated in the accepted Order and without any shortcomings, including legal ones. The Goods delivered shall not be burdened by any third party rights or rights established in favour of third parties, including liens and other collateral powers.

**3.3** The Goods shall be constructed according to the state-of-the-art scientific and technological advances in the given field and quality, which is at least on the level of competition in the given field. In case that Supplier diverts from this state and level, he shall be obliged to inform Buyer in writing without any delay, including reasons and causes of such divergence and take all the steps directed to reach such state and level.

**3.4** Supplier shall be obliged to construct the Goods in compliance with legal regulations, GPC and all of its parts and annexes, Contract, technical and quality parameters and standards and norms for quality assurance determined by Buyer as well as all regulations stipulated in the last paragraph of the clause 2.3. Supplier shall be obliged to enable Buyer to inspect compliance with Buyer's instructions, Technical background documents, legal regulations, GPC, Contract, standards and quality regulations and other liabilities, including inspection of

equipment for production and inspection, production premises, background documents and any documentation.

**3.5** Supplier shall be obliged to place any marking, signs or symbols on the Goods as per Buyer's instructions, Order or Technical background documents. Supplier shall mark the Goods (each package) by VDA4902 label, which shall include mostly **(i)** code and description of the Goods as per Buyer's requirements, Order, plan of supplies and/or reference, **(ii)** amount of the Goods in a package (net and gross amount, number of pieces), and shall enable **(iii)** back identification of the Goods, **(iv)** the Goods to be attached to accompanying documentation (dispatch note, invoice, material test certificate, safety letter and other), and **(v)** shall identify Supplier and originator of the Goods.

**3.6** Upon Buyer's request, Supplier shall be obliged to allow Buyer to enter the production premises in order to inspect the production quality compliance of the Goods, technical parameters of production and alike. Such inspection may be carried out only in working days from 08:00 to 16:00 hrs.

**3.7** Quality management systems in compliance with international standards TS, VDA, QS and ISO shall serve as a basis for assessment and stating the required scope of measures and documentation for provision of quality.

## 4. Supply of Goods

**4.1** Supplier shall supply the Goods as per Buyer's instruction and each supply of Goods shall include Dispatch note, Invoice, packing list, material attest and other documents, including accessories of the Goods (manuals in Slovak or Czech language and alike). In case that supply of the Goods does not include any of the documents mentioned, mainly the document proving the origin of the Goods, the Goods shall not be deemed as supplied duly, fully and without any shortcomings. Upon handover and takeover of the duly supplied Goods, Contracting parties shall sign a Dispatch note.

**4.2** Dispatch note shall include **(i)** number of Dispatch note, **(ii)** identification of Contracting parties (business name, registered office, Company registration No., registration in Companies register), **(iii)** identification of persons handling and taking over the Goods on behalf of Contracting parties, **(iv)** identification of the Goods (name, number / entry nomenclature at Buyer and Supplier, number of purchase document (Order, plan of supplies or reference), gross and net amount, measurement unit, unit and total price, number and type of pallets), whereas the entries with one nomenclature shall be stated on the Dispatch note only once in accumulated amount with marking the amount, **(v)** assessment of trial operation and the measured values if carried out, **(vi)** stating the shortcomings and faults which can be found out at regular inspection, if Buyer takes the Goods also with shortcomings, and **(vii)** description of person, which participated on behalf of Contracting parties in handling and taking over of the Goods.

**4.3** In case of Goods supply from any country out of the European Union, Supplier shall be obliged to submit a statement of originality, in addition to the Dispatch note, issued in compliance with legal regulations of the European Union.

**4.4** Every supply of Goods shall be due, full, on time and without any faults. Taking over the Goods with shortcomings shall not prevent Supplier from his obligation to remove the shortcomings at his costs.

**4.5** Supplier shall not be entitled to retain any Instruments, Technical background documents or Goods, regardless the cause of such retaining.

**4.6** Supplier from the country outside of the European Union, between which and the European Union the Free Trade

Agreement or other agreement, which provides the possibility to release the Goods imported by the Supplier to the Buyer from the import customs duties or preferential decreasing of the import customs duties, is concluded, and which has granted the statute of the approved exporter shall deliver to the Buyer together with the Goods the Declaration of the Origin of the Goods, which shall include **(i)** reference to the relevant customs document, list of the imported Goods with their specifications according the Order, **(ii)** declaration, that the Goods has a preferential origin in the Suppliers country, and **(iii)** other essentials required by the Law.

## **5. Price and payment conditions**

**5.1** Contracting parties shall agree upon Price for delivered Goods separately. Price may be amended solely upon written agreement between Contracting parties. Taxes shall be charged together with the Price according to the relevant regulations. If competent authorities will ask the Buyer to pay Taxes, in particular value added tax, which should be otherwise paid by the Supplier, the claim to reimburse suchpaid Taxes will arise to the Buyer against the Supplier including their accessories.

**5.2** Supplier shall be entitled to invoice Price only for Goods supplied duly and on time. Invoice shall include **(i)** all necessities of a tax and accounting document as per respective legal regulations of Buyer's state and concurrently of Supplier's state if Supplier is not Slovak entity, **(ii)** identification of the Goods (name, number / entry nomenclature at Buyer and Supplier, number of purchase document (Order, plan of supplies or reference), gross and net amount, measurement unit, unit and total price, number and type of pallets and correct **numeral code of the Goods according to the Common Customs Tariff**), whereas the entries with one nomenclature shall be stated on the Dispatch note only once in accumulated amount with marking the amount, and **(iii)** complete and correct data on bank contact, including business name of the bank, account number, including IBAN and SWIFT bank code; otherwise Buyer is not liable for delay of Price payment, nor for any damage or shortcomings caused due to non-settlement of Price or its late payment relating to incomplete data as per this paragraph. In case that Invoice is not duly issued in compliance with legal regulations and/or GPC or any data or information required by the law or GPC is missing Buyer shall be entitled to return the Invoice to Supplier for remake. Period for payment shall not run up to the time of a new, duly issued Invoice and starts running again upon the moment of the duly issued Invoice receipt.

**5.3** Price shall be invoiced in Euro currency. If the Price is agreed in a different currency, the exchange rate of the European Central Bank valid on the day of sending the Order by Buyer to Supplier shall be used to calculate the Price from another currency to Euro.

**5.4** Maturity period is agreed in Contract. If not agreed in Contract, maturity period shall be sixty (60) calendar days after a due supply of Goods to Buyer. After due supply of Goods in an earlier date, maturity period starts running as of the agreed date of supply. Supplier shall send the Invoice to Buyer at least ten (10) days prior to its maturity date, otherwise the maturity date is prolonged by the period of delay of Invoice receipt.

**5.5** Price shall be payable by direct debit transfer to Supplier's account. Price shall be deemed paid on the day of remitting the Price to Supplier's account by Buyer's bank. Bank charges connected with the transfer shall be borne by each Contracting party to their bank at own costs.

**5.6** Buyer shall be entitled to unilaterally amend the Prices every year as at 1 January, while taking the following factors into consideration: **(i)** value of annual inflation for previous calendar

year on the territory of Buyer's state or European Union (the highest level of inflation shall be used), **(ii)** changes of energy prices on world markets, **(iii)** changes of entry materials on world markets, **(iv)** changes in law which cause increase of the costs and prices, for example tax regulations, working regulations, regulation for social provision and alike, **(v)** well documented and convincing possibility to reach better prices from Supplier's competition, whereas such competitive prices shall not be in defiance of any legal regulations and shall not be lower than production costs of such competitor (predator valuation).

**5.7** Modifications according to the clause 5.6 shall be done during first six (6) months of a respective year and shall be valid as at 1 January of such year. Contracting parties shall, in compliance with the modifications, issue and supply the respective credit notes or debit notes without unreasonable delay after modification of Prices and send them to the other Contracting party.

**5.8** Supplier shall be entitled to demand from Buyer opening some negotiations on modification of Prices, apart from paragraph 5.6, in case that price of entry materials on world markets changes by more than 5%. Supplier shall be obliged to credibly prove this change to Buyer.

**5.9** Supplier shall be obliged to secure and prove to Buyer the credit limit of financial coverage of supplies in the amount that enables continuous ordering and supplies while observing the agreed maturity.

**5.10** Buyer shall not be obliged to settle advance payments or proforma invoices to Supplier, unless explicitly agreed by both Contracting parties. Buyer shall essentially provide the advance payment to Supplier only against a bank guarantee that secures due and timely supply of Goods, whereas the advance payment may be provided only with the aim of investment purchase exceeding EUR 200,000.

**5.11** Buyer shall be entitled to retain the payment of Price if Supplier does not deliver the Goods fully, duly or timely, or delivers the Goods with any shortcomings; up to full and due supply of Goods without any shortcomings. Buyer shall announce such retaining of the payment to Supplier, whereas announcement by electronic post or fax is sufficient. Period of Price maturity shall automatically be prolonged by the period of retaining the payment of Price as per this provision.

**5.12** As per Section 525 Sub-section 2 OZ, Supplier shall not be entitled to assign any receivables under Contract, GPC or a legal relationship under the Contract and/or GPC, or from any relationship directly or indirectly connected with the Contract and/or GPC which he has towards Buyer to any third parties.

**5.13** Supplier shall not be entitled to unilaterally tally up any receivables, which he has towards Buyer with Buyer's liabilities, which he has towards Supplier.

**5.14** Supplier shall be obliged to participate in mutual agreement of receivables and liabilities between Contracting parties.

**5.15** Supplier shall not be entitled to pledge any receivable against the Buyer from the Contract, GPC or from legal relationship governed by the Contract and/or GPC or from any relationship directly or indirectly connected with the Contract and/or GPC or to establish any right to such receivable in the favour of any third person.

## **6. Removal of Shortcomings on Goods and Guarantee Conditions**

**6.1** Taking over the Goods with shortcomings shall not prevent Supplier from his obligation to remove the shortcomings at his

costs. Buyer shall inform the Supplier about the shortcomings found out on Goods within the period of thirty (30) days after their detection, whereas announcement as per this clause may be carried out also by electronic post or fax.

**6.2** Guarantee period for Goods shall be twenty-four (24) months from due and full supply of Goods without any shortcomings, unless agreed by Contracting parties upon a shorter or longer guarantee period. If the Goods are spare parts for products which are not produced in bulk any more, the guarantee period shall be prolonged by a planned period of these products' storage determined by their producer (mostly in case of motor vehicles).

**6.3** Contract shall be materially breached upon supply of Goods with shortcomings and/or supply of Goods which is not due or full. Buyer shall be entitled to do the following from the Supplier **(i)** demand removal of shortcomings by supply of supplementary Goods for faulty Goods, supply of missing Goods and require removal of legal faults, or **(ii)** demand removal of shortcomings by repair of Goods if it is possible to repair the shortcomings, **(iii)** return the Goods or their part to Supplier, whereas Supplier shall bear return costs and risk of damage, or **(iv)** demand appropriate Price discount, or **(v)** terminate the Contract or respective Order. Supplier shall be obliged to suffer the removal of shortcomings and performance of related works on his expense by means of a third person determined by Buyer or Buyer's customer.

**6.4** Buyer shall not have any entitlements from guarantee if the shortcomings arise as a result of Goods usage in defiance of operating manuals, maintenance or installation manuals provided by Supplier to Buyer or after natural wear and tear. Buyer shall also not have any entitlements from guarantee if the shortcomings arise as a result of inappropriate Buyer's instructions, Technical background documents or Instruments, and Supplier has informed the Buyer in writing in advance, prior to commencement of Goods production or usage of these instructions, Technical background documents or Instructions, about their inappropriateness and Buyer insisted on their usage in spite of such written notification.

**6.5** Application of guarantee claims, removal of shortcomings on the Goods and performance of related works (classification, scrapping, repairs, processing of Goods, returning the Goods, and others) is always at costs and risk of Supplier.

**6.6** Supplier shall solve the claim, including a credit advice issuance or other background documents for quality management systems, within the course of five (5) working days. If Supplier does not send the credit advice in appropriate period. Buyer shall settle the difference by a correction voucher issued on his behalf or on behalf and to the account of Supplier. Settlement as per this paragraph shall not prevent Supplier from damage liability and costs connected with removal of shortcomings on the Goods.

**6.7** Supplier shall be obliged to issue a written statement of guarantee for Buyer, which includes at least guarantee conditions above and does not reduce the guarantee conditions above in any way. Not issuing the guarantee statement which is in defiance of Contract and GPC shall not affect the guarantee conditions set forth in these GPC.

## **7. Technical background documents and Instruments**

**7.1** Technical background documents shall remain property of Buyer, and the Seller is entitled to use them exclusively to produce and supply the Goods for Buyer. Supplier shall return these Technical background documents to Buyer without any delay after Contract termination. Supplier shall not be entitled to leave or transfer any rights to Technical background documents on any third person in any way.

**7.2** Supplier shall be obliged to produce the Goods solely by means of Instruments, if provided by Buyer or if produced on the basis of Technical background documents. Supplier shall not be entitled to use Instruments to produce the Goods or provide any kind of services for any third person without prior written consent of Buyer.

**7.3** If the Instruments are made at Buyer's costs, Buyer shall be owner of the Instruments.

**7.4** Supplier shall not be entitled to leave or transfer any rights to Instruments or to establish a lien on Instruments or any rights in favour of any third persons, including collateral rights, otherwise Supplier is liable to Buyer for any damage incurred to Buyer as direct or indirect breach of this ban.

**7.5** If the Instruments are produced at Supplier's costs, Buyer shall have a pre-emptive rights to these Instruments, whereas purchase price for the Instruments shall not be higher than the costs of their production. Supplier shall not be entitled to leave or transfer any rights to these Instruments or to establish a lien on Instruments or any rights in favour of any third persons, including collateral rights, without prior written consent of Buyer, otherwise Supplier is liable to Buyer for any damage incurred to Buyer as a result of this ban.

**7.6** Supplier shall be obliged to visibly mark the Instruments that belong to Buyer and Technical background documents as Buyer's property, stating the business name and registered office of Buyer, with clear statement that it is Buyer's property.

**7.7** Upon Buyer's request, Supplier shall be obliged to enable Buyer to check the Technical background documents and Instruments. Such inspection may be carried out only in working days from 08:00 to 16:00hrs. Supplier shall be obliged to inform the Buyer in writing about every new place of Technical background documents and Instruments in other Supplier's plant and every change of rights to Instruments, including establishment of lien and other rights in favour of any third persons or their retaining.

**7.8** Supplier shall do maintenance and repairs of the Instruments at own costs.

## **8. Intellectual and Industrial Property Rights**

**8.1** Upon provision of Technical background documents and Instruments, Buyer shall provide Supplier with an unlimited and non-exclusive licence to use the intellectual and industrial property rights, which are connected with these Technical background documents and Instruments. Usage of such licence is limited solely to production of the Goods for Buyer. The licence shall be valid during the Contract period and shall lapse upon termination of Contract. Supplier shall not be entitled to use such intellectual and industrial property rights for other purpose than production of Goods for Buyer.

**8.2** Supplier shall be liable for any breach of intellectual and industrial property rights of third persons, which incur in connection with production of the Goods or in relation with the Contract. Supplier shall be liable for the fact that the Goods supplied do not breach any intellectual and industrial property rights of third persons, not as a whole or any part thereof. Supplier shall not be liable for such rights only in case that these rights are breached by Buyer upon provision of Technical background documents and Instruments and Supplier could not have known about such breach, not even when taking expert care.

**8.3** Supplier shall be obliged to inform the Buyer in writing about all own intellectual and industrial property rights and all intellectual and industrial property rights of third persons for which the Supplier is entitled to grant licences, and which he

used for Goods production. Used licences and sub-licences shall enable export of the Goods to all countries to which Buyer supplies the Goods or products for whose production the Goods are used. Supplier hereby relieves Buyer and Buyer's customers from any entitlements for usage of such intellectual and industrial property rights.

**8.4** Contracting parties shall be obliged to inform each other without any delay about any claims by third parties relating to intellectual and industrial property rights and cooperate on solving the arisen situation.

**8.5** Supplier shall not be entitled to register any intellectual and industrial property right which belongs to Buyer, including the rights that have occurred in connection with Buyer's development Order or within consultations with experts, cooperating persons or employees of Buyer. In case that Supplier acquires such rights in defiance of the previous clause, he shall be obliged to transfer them to Buyer without any delay.

## **9. Confidentiality and Protection of Confidential Information**

**9.1** The whole content of the Contract shall be confidential. Contracting parties shall be obliged to be unconditionally confidential about the Confidential information.

**9.2** Obligation to be unconditionally confidential about the Confidential information shall relate to any third person.

**9.3** Provision of Confidential information to public authority bodies as per respective legal regulations shall not be deemed as breach of obligation to be confidential about the Confidential information, providing that Confidential information is given to public authority bodies in compliance with legal regulations. Contracting party that provides Confidential information to a public authority body shall be obliged to inform the other Contracting party in writing, without any unreasonable delay, and cooperate at provision of further protection of confidentiality of such Confidential information.

**9.4** If Contracting parties conclude a special agreement whose subject matter is protection of Confidential information, such agreement shall prevail over provisions of this article of GPC, if such agreement secures wider scale of protection for Confidential information.

## **10. Liability**

**10.1** Supplier shall be fully liable for any damage, including real damage, lost profit and other directly or indirectly related damage, which incurs resulting from the breach of any liabilities under Contract, GPC, legal regulations or other regulations which are binding between the Contracting parties.

**10.2** Contracting parties shall not be liable for damage only in case that the damage incurred as a result of (i) Force majeure and the first Contracting party informed the aggrieved Contracting party in writing about the supposed intervention of Force majeure well in advance, or without any delay after its intervention, if it had not been possible to inform the aggrieved Contracting party about the supposed intervention of Force majeure in advance, due to reasons that the first Contracting party may not have influenced, or if (ii) damage incurred as a result of liability breach by the aggrieved Contracting party under Contract, GPC, legal regulations or other rules binding between the Contracting parties, by the aggrieved Contracting party, within the scale such breach caused by the aggrieved Contracting party affected origin of such damage.

**10.3** If a third party files a claim for damage compensation towards Buyer, which occurred as a result of direct or indirect

breach of any liabilities by Supplier under Contract, GPC, legal regulations or other rules binding between the Contracting parties, Supplier shall compensate Buyer for any damage that will be supported by a valid and enforceable judgement of court or other respective public authority and granted to the third party. Contracting parties hereby undertake to cooperate when solving such a situation. Provisions of Force majeure shall be used in this case only if Buyer successfully proves intervention of Force majeure towards the third person in question.

**10.4** Supplier shall be fully liable to Buyer also for damage incurred to Buyer in case of substantial preventive measures carried out by Buyer or Buyer's customer (mainly at bulk services).

**10.5** Buyer's Obligation to compensate Supplier for damages shall be excluded in the respective extent if Buyer has effectively limited his liability towards his customer.

**10.6** If the Supplier violates his legal duties stipulated in the Act. No. 351/2015 Co. on the cross-border cooperation during the dispatch of the employees for work to provide services and on change and amending of other acts as amended (hereinafter as the "**Act on the cross-border cooperation**") and/or duties stipulated in the

[Directive 2014/67/EU of the European Parliament and of the Council of 15 May 2014 on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation \(EU\) No. 1024/2012 on administrative cooperation through the Internal Market Information System](#) (hereinafter as the "**Directive on posting of workers**") and/or other related or similar regulations or if the Supplier violates contractual duties stipulated in the Contract or GPC and in the direct or indirect connection with any of these violations any person, authority or office raises against the Buyer any sanctions, reimbursements, compensations, measures or any other claims of financial, property or other nature, the Supplier shall reimburse the respective damages, which originated from these reasons, to the Buyer. The Buyer is entitled to preventively claim the reimbursement of these damages against the Supplier and the Supplier shall reimburse these damages even before the Buyer satisfies such sanctions, reimbursements, compensations, measures or claims to the respective person, authority or office.

**10.7** Supplier shall pay to Buyer the reimbursements and compensations stipulated in this article within thirty (30) days after receipt of call for payment. Call for payment may be in the form of Invoice. The Buyer is entitled to set off the reimbursements and compensations with other claims of Supplier against the Buyer even without sending of the previous call for payment.

## **11. Sanctions**

**11.1** If Supplier is in default of due and full supply of the Goods, he shall be obliged to pay the contractual penalty 0,02% of Price for every commenced week of delay to Buyer. Buyer's right to damage compensation shall not be affected by this sanction. If the Buyer is obliged to pay Taxes for the Supplier, the Buyer shall be entitled to claim a contractual penalty in amount 0,2% from the sum corresponding to Taxes including their accessories per each day from the moment of payment of Taxes to the relevant authority till the moment of the reimbursement of such payment of Taxes by the Supplier to the Buyer. This is without prejudice to the Buyer's claim for compensation of damages.

**11.2** If Buyer is in default of paying the Price, Supplier shall be entitled to demand from Buyer the late payment interest amounting to 0,02% of Price for every commenced week of delay.

**11.3** Supplier shall pay the following sanctions to Buyer in case of non-compliance with the following obligations, whereas the Buyer's right to damage compensation shall not be affected thereby:

- **EUR 120** for issued claim.
- **EUR 120** for non-compliance with deadline for sampling.
- **EUR 120** for organization of faulty supply classification.
- **EUR 120** for non-compliance with packing regulations.
- **EUR 120** for hazard to production continuousness of Buyer resulting from late supply.
- **EUR 120** for non-delivery of 8D report within 24 hours from request.
- **EUR 120** for every incorrect, incomplete or missing data or document in the Invoice, Dispatch note or other supporting documents.
- **EUR 120** for zero escalating degree applied towards Supplier and subsequently a multiple of this sanction for every higher degree.

**11.4** If the Supplier breaches the prohibition of pledging of his receivables against the Buyer in favour of third persons according to the clause 5.15 of the GPC, the Supplier shall pay the contractual penalty to the Buyer in amount of 25% of the value of each receivable pledged in contradiction with the clause 5.15 of the GPC.

**11.5** Supplier **shall not** for him or any third person including persons related to the Buyer **(i)** perform any direct or indirect recruitment of the Buyer's employees, other Buyer's workers or Buyer's contractual partners, **(ii)** offer to the Buyer's employees, other Buyer's workers or Buyer's contractual partners any his jobs including manager or executive positions or positions of statutory deputies or proxies or offer to them the same or similar positions with any third person, or **(iii)** anyhow persuade the Buyer's employees, other Buyer's workers or Buyer's contractual partners to terminate their employment or contract with the Buyer and/or anyhow persuade them to start work for the Supplier or any third person. The Supplier **shall not (iv)** enter into the employment or other similar labor or legal relationship with anyone from the Buyer's employees, other Buyer's workers or Buyer's contractual partners. If the Supplier breaches any prohibition stipulated in the first paragraph of the clause 11.5, the Supplier shall pay the contractual penalty of **EUR 10.000** for any of such breach to the Buyer.

**11.6** Supplier shall pay to Buyer the sanctions stipulated in this article within thirty (30) days after receipt of call for payment. Call for payment may be in the form of Invoice. The Buyer is entitled to set off the sanctions with other claims of Supplier against the Buyer even without sending of the previous call for payment.

## **12. Correspondence**

**12.1** Any documents sent as per the Contract and/or GPC shall be delivered in person, by courier or registered mail and are deemed to be delivered on the third day after their sending to the latest known address.

**12.2** Orders may be delivered by regular post, electronic post, fax or by means of other electrical systems used by Contracting parties.

**12.3** Supplier shall be obliged to send an advice note on delivery immediately after having sent the Goods to Buyer. Dispatch notes shall be delivered together with the Goods. Dispatch note shall be deemed delivered upon the day of its signature by Buyer and receipt of Goods by Buyer.

## **13. Governing law and Jurisdiction**

**13.1** GPC, Contract and any legal relationships relating thereto shall be fully governed by Slovak legislation. Contract has been

signed in compliance with OBZ and is fully governed by its provisions.

**13.2** In compliance with Article 6 CISG, CISG shall not be applied to the Contract, GPC and legal relationship between the Contracting parties.

**13.3** In compliance with § 37e ZMPS and article 23, paragraph 1 letter b) CRJ, the right to solve any disputes under GPC, Contract and/or relationships related thereto, related to their content and/or their subject-matter directly or indirectly, appertains exclusively to Slovak jurisdiction.

**13.4** Court to solve the disputes as per previous paragraph shall be the court in the district of Buyer's current registered office at the time of filing a proposal, if Buyer is a Slovak company. If Buyer is not a Slovak company, the applicable court shall be in the jurisdiction of Bratislava I.

## **14. Change of GPC, change of Contract and termination of Contract and production of Goods**

**14.1** Buyer shall be entitled to unilaterally change GPC. Buyer shall inform Supplier on the changes of GPC and their effective dates in an appropriate way by means of his web page and in references on Orders. Updated version of GPC shall be available in Buyer's registered office and on Buyer's web page.

**14.2** It shall be possible to amend the Contract solely on the basis of a written agreement signed both by Buyer and Supplier. This provision shall not relate to amendments of GPC as per provision 14.1 of GPC.

**14.3** It shall be possible to terminate the Contract **(i)** based on a written agreement between both Contracting parties, signed by their statutory representatives, or **(ii)** upon rescinding, in compliance with GPC without notice period, or **(iii)** through notice, in compliance with GPC, or **(iv)** in other way agreed upon by Contracting parties.

**14.4** Buyer may rescind from the Contract or Order without notice period **(i)** due to reasons under OBZ and other legal regulations, or **(ii)** if Supplier does not supply the Goods to Buyer duly and on time, or **(iii)** if Supplier breaches his other obligations and liabilities under Contract, GPC and/or legal regulations, or **(iv)** in case that Buyer's customer, to whom Buyer as a supplier supplies the Goods in any other form, terminates or is planning to terminate his relationship with Buyer, or **(v)** due to other reasons stated in Contract or GPC.

**14.5** Supplier shall be entitled to rescind from the Contract without notice period, if **(i)** Buyer does not settle the agreed Price to Supplier, not even in an appropriate additional period stated in a written call for payment which is delivered to Buyer by Supplier, whereas the additional period for payment shall be at least thirty (30) working days after receipt of the written call for payment delivered to Buyer by Supplier, or if **(ii)** he does not agree with GPC amendments as per paragraph 14.1, whereas Supplier shall be entitled to rescind from the Contract due to this reason only up to thirty (30) days after having accepted these changes of GPC, or **(iii)** due to other reasons stated in the Contract or GPC

**14.6** Contracting party shall be entitled to rescind from the Contract without notice period - **(i)** if the other Contracting party is in bankruptcy proceeding or is insolvent, or **(ii)** if there is a proposal against the other Contracting party for competitive bidding, permission of settlement or restructuring or a proposal for commencement of any insolvency proceeding as per legislation of the other Contracting party, or **(iii)** if there was bankruptcy declared on assets of the other Contracting party, settlement or restructuring was allowed, or any insolvency

proceeding was commenced as per legislation of the other Contracting party, or **(iv)** if the proposal for competitive bidding, permission of settlement or restructuring, or a proposal for commencement of any insolvency proceeding as per legislation of the other Contracting party was rejected due to lack of assets of the other Contracting party, - **(i)** if the other Contracting party was cancelled and entered liquidation, or **(ii)** if the other Contracting party lost entitlement to carry out business activities, or **(iii)** if the other Contracting party lost competence to carry out legal acts or this competence has been limited, - the other Contracting party has ceased their business activities or does not carry out any entrepreneurial activities.

**14.7** Buyer shall be entitled to terminate the Contract with period of notice due to any reason or without stating any reason. Period of notice shall be six (6) months and shall commence on the first day of the calendar month immediately following the month in which the notice is received by Supplier.

**14.8** Termination and rescinding from the Contract shall be in writing, signed by statutory representatives of Contracting parties and delivered to the other Contracting party in person, by courier or registered mail. Contract shall be terminated upon receipt of announcement by the other Contracting party or upon lapse of the notice period. Termination of Contract shall not relate to provisions on selection of law, jurisdiction, damage liability and sanctions.

**14.9** Supplier shall be obliged to forthwith terminate production of the Goods and orders of any entry materials and other entries as at the day of Contract termination or upon lapse of the notice period. Any Orders not delivered and executed by Supplier as at the day of announcement receipt or upon lapse of the notice period shall be deemed cancelled at the moment of Contract termination. Rescinding from the Contract without notice period shall not affect already fulfilled covenants from the Contract and §351 (2) OBZ shall not apply. Buyer shall not be liable to Supplier for any stocks of entry materials or other entries or the goods being in process as at the day of Contract termination or upon lapse of the notice period, and these stocks of entry materials or other entries or the goods being in process shall be borne by Supplier, unless agreed otherwise by the Contracting parties.

## **15. Final Provisions**

**15.1** Any reference to another business, purchase, delivery or any other conditions on Supplier's documents, including Invoices and Dispatch notes, shall be invalid and shall not oblige Buyer regardless of the fact that such document is signed by Buyer.

**15.2** Supplier shall hereby be bound not to include in his documents relating to Contract and contractual relationship with Buyer, including Invoices and Dispatch notes, any references to another business, purchase, delivery or any conditions different from these GPC.

**15.3** The following order of priority of individual documents according to this GPC shall apply:

- Contract and its annexes whereas the annexes shall take a precedence,
- General Technical Purchasing Conditions for Producing Presses and their annexes whereas the annexes shall take a precedence,
- Precautionary Principles of Connecting Devices to LAN MATADOR and their annexes whereas the annexes shall take a precedence,
- GPC.

**15.4** If any provision of GPC becomes invalid or ineffective, this invalidity or ineffectiveness shall not affect validity and effectiveness of other provisions.

**15.5** If these GPC are translated to other languages, the decisive language version shall be Slovak, which is original.

**15.6** This version of GPC shall be effective as of June 18, 2016.