

PURCHASE TERMS AND CONDITIONS



HAUK s.r.o. (Client)

for material, logistics, and services

I. INTRODUCTORY PROVISIONS

1. The legal relationships between the Supplier and the Client are governed by these terms and conditions. Any possible agreements, changes, and amendments shall be in writing.
2. The supplied products shall meet the Client's defined technical parameters and requirements in accordance with the technical documentation submitted by the Client and provided to the Supplier. These parameters and requirements are understood as "guaranteed characteristics" of the supplied products.

II. CONTRACTUAL RELATIONSHIP

1. Any order shall be placed in a unified form of the Client. **The Supply Agreements (order and its confirmation) and call-offs as well as their changes and amendments shall be in writing.**
2. The Client is entitled to withdraw from the contractual relationship if:
 - The Supplier is not able to meet the supplies in terms of the order and under agreed terms, supplies repeatedly defective goods, is repeatedly on default in supplies, is insolvent, a petition for the Supplier's bankruptcy has been filed, etc.
 - The Supplier breaches any provision hereof.

III. PAYMENTS, PAYMENT TERMS, INVOICING

1. **If the Client disposes of verifiable invoices, the amount shall be paid on the 25th day of a month following the month when the goods were supplied, unless provided otherwise. The condition for a timely payment is a delivery note attached to the invoice latest 14 days before the maturity period.**
2. The Client is entitled to claim any deviations in prices or quantities immediately at the Supplier in writing. The Supplier is obliged to send the corrected documents without undue delay.
3. The amount shall be paid via a credit transfer. Any change of the maturity period shall be approved by both Parties.

4. In case of any defective supply, the Client is entitled to withhold the amount until the proper performance.
5. The Supplier is not entitled to assign or transfer its receivables to the third parties without the Client's prior written consent that shall not be refused unreasonably.
6. The Supplier shall partake in netting.

IV. WARRANTY CLAIM

If the Client finds any deviations from the order or from the delivery note, such as differences in the quantity, poor quality or damage caused by transport, the Client is entitled to return or take over the consignment without losing its legal claims.

V. CONFIDENTIALITY

1. The Contracting Parties undertake to treat any non-public economic and technical data they become aware of by means of their commercial relationships as confidential.
2. Any drawings, models, templates, samples, and similar subjects shall not be provided or made available to the unauthorized third parties. The distribution of such subjects is admissible only in terms of operational requirements and copyright provisions.
3. The subcontractors shall be bound in a corresponding way.

VI. DELIVERY OF GOODS

The agreed terms, periods and quality are binding. The Client's acceptance of goods is decisive for meeting of the delivery term or delivery period. The Supplier shall prepare the goods on time while considering the usual time that is necessary for loading and shipment.

The goods shall be delivered based on the Client's instructions. The Supplier is obliged to equip the delivered goods with accompanying documents (delivery note, packing list, batch number, eventually a certificate of origin).

VII. DELAY OF SUPPLY

The Supplier is obliged to compensate any damage caused to the Client due to the Supplier's delay, in accordance with the applicable legislation.

VIII. FORCE MAJEURE

Force majeure, strikes, riots, official measures, and other unpredicted and serious events relieving the Parties of meeting the obligations for the period when such circumstances last and within the scope of their impacts. This shall apply even if these events incur at the moment when the affected Party is on default. The Parties are obliged to provide the necessary information without undue delay and adjust their obligations to the changed circumstances in good faith, if possible.

IX. QUALITY AND DOCUMENTATION

1. The supplies shall not contain any defects. The Supplier is responsible for the quality of supplied products and undertakes to ensure effectively the quality and documentation.
2. The supplied products shall always correspond to the relevant up-to-date status of competition while considering the last status of science and technology. The Supplier shall inform the Client of the relevant situation without being requested. If any deviations incur, the Parties shall open the negotiations to adjust the status to the competition. In addition to that, the Supplier is obliged to inform the Client of the planned changes in a production or control process.
3. The assessment and determination of the necessary scope of quality measures is based on the following documents:
ISO quality standards, technical implementation procedures (TPP), Czech Technical Standards (ČSN), and specifications.

X. WARRANTY

1. In case any defective goods are supplied, the Supplier is provided with the possibility to sort out or repair the defective parts or provide an additional supply before the production is initiated (processing or assembly) provided that it is acceptable for the Client. If the Supplier is not able to meet this obligation or does not remedy the situation without

undue delay, the Client may withdraw from the Agreement within the scope of a defective supply and may send the goods back at the Supplier's responsibility. In urgent cases the Client may remedy the situation on its own or by means of the third party, based on an agreement with the Supplier. The costs incurred to the Client in connection with the defective supplies shall be borne by the Supplier.

If the same defective goods are supplied repeatedly, the Client is entitled to withdraw even from the unrealized supplies, based on a written agreement.

2. If any defect is found out only after the production is initiated, the Client may require compensation of the incurred extra costs, in addition to the regulations set forth in paragraph 1. In urgent cases the Client may remedy the situation on its own or by means of the third party.
3. The Client shall provide the Supplier with the parts that shall be replaced, at the Supplier's request and expense.
4. Unless provided otherwise herein, the warranty is governed by the applicable legislation.

XI. LIABILITY

1. Unless provided otherwise herein, the Supplier is obliged only to the below mentioned compensation of damage that incurred directly or indirectly to the Client due to any defective supply, breach of safety regulations or other legal reasons that may be ascribed to the Supplier.

XII. PROTECTIVE RIGHTS AND MARKING OF PRODUCTS

1. The Supplier is liable for the fact that the goods, in whole or partly, supplied to the Client do not breach any industrial rights (from patents, utility and industrial models) of any third party and that no rights of the third parties are attached to the goods within the relevant country as well as abroad.
2. The Parties undertake to inform each other without undue delay of any found risks of breach or any alleged cases of breach, and to provide each other with the possibility to take measures against such claims based on an agreement.
3. The Supplier is obliged to place marks or symbols on the defined goods or their packaging, based on the Client's instructions.

XIII. USAGE OF THE CLIENT'S PRODUCTION FACILITIES AND CONFIDENTIAL DATA

Any models, matrices, templates, samples, tools, or other production facilities as well as any confidential data, that the Client provided to the Supplier or paid to full extent, shall not be used for supplies to the third parties without the Client's prior written consent. The Supplier undertakes not to sell the goods being supplied to the Client and being specific for usage in the Client's products to any third parties without the Client's consent.

The Supplier is obliged to inform the Client of the place where the tools shall be used, respectively of the intention to transfer the tools to another production site. The Supplier is obliged to inform the Client of the third parties' proprietary rights to such tools.

If the Supplier intends to sell or assign otherwise the tools, the Supplier is obliged to offer such tools firstly to the Client.

Client – HAUK s.r.o.

Supplier

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XIV. GENERAL PROVISIONS

1. The Supplier and the Client declare they are aware of all the legal regulations and standards set forth herein.
The Client shall inform the Supplier of any possible amendments hereto.
2. If any provision hereof or of other concluded agreements is or becomes ineffective, the effectivity of the remaining provisions will not be affected. The Parties are obliged to replace the ineffective provision by a provision with a similar economic purpose.
3. As regards the suppliers with the registered office in the Czech Republic, the Czech law shall apply. The Czech version hereof is decisive.