

## GENERAL TERMS AND CONDITIONS OF PURCHASE - M.A.S. AUTOMATION A.S.

1. Introductory Provisions

The purpose of these General Terms and Conditions of Purchase (hereinafter "Terms") is to establish the rights and obligations arising from the Purchase Agreement or Framework Purchase Agreement concluded between M.A.S. Automation a.s., Havlíčková 261, CZ - 261 70 Kolín, Company ID No. 256 50 513, entered in the Commercial Register maintained by the Municipal Court in Prague, file B 5242 as the Buyer (hereinafter the "Buyer") and the supplier of this company as the Seller (hereinafter the "Seller"). By concluding the Purchasing Agreement, the Seller acknowledges and consents to these Terms. Any deviations from these Terms, their additions or changes are permissible only if the Parties have agreed to them in writing in the Framework Purchase Agreement. In the event of any discrepancies between the wording of the Framework Purchase Agreement and these Terms, the provisions of the Framework Purchase Agreement shall prevail. The rights and obligations of the Contracting Parties not set forth in the Framework Purchase Agreement or in the Terms are governed primarily by Act No. 89/2012 Coll., the Civil Code, in the latest valid version.
  2. General Provisions

The subject of performance is understood as the delivery of Goods, including shipping and related services. Deliveries are made on the basis of the individual Orders by the Buyer, always in written form, with Orders made by fax or email also being regarded as those made in written form.
  3. Order

An Order must contain information on the precise type of Goods, their price, including delivery, quantity, quality, required delivery date and the method of shipment. Orders are regarded as accepted once confirmed by the Seller.
  4. Price and Pricing

The Buyer undertakes to pay the Seller the agreed purchase price for the delivered Goods under the conditions established in the Framework Purchase Agreement concluded by and between the Buyer and the Seller. If the price is not contracted in this manner, prices are agreed the moment the Order is confirmed by the Seller's representative.
  5. Payment Conditions

The Buyer is required to pay the Seller the purchase price for properly delivered Goods based on a tax document (invoice) with a maturity of 60 days, unless the Seller accepts a different deadline established in the Framework Purchase Agreement or an individual Order by the Buyer. Each invoice and delivery note must contain the Buyer's order number. The purchase price is paid the moment it is credited to the Seller's bank account or paid at the Seller's cash desk. The Buyer reserves the right to pay the Seller the purchase price in instalments. The Buyer reserves the right to pay the Seller for Goods only to the bank account reported to the tax authority pursuant to Section 96 of Act No. 235/2004 Coll.
  6. Delivery Terms

The Seller is obliged to deliver the Goods in the quantity, quality and terms required by the Buyer according to individual Orders, or according to the Framework Purchase Agreement, as well as in accordance with the Buyer's drawing documentation or samples or other specifications mutually agreed upon by both Parties and attached to the Order. The Seller is obliged to ensure timely performance according to the deadlines specified in individual Orders they have confirmed. Any additional costs for faster transport and/or substitute delivery incurred in order to meet delivery deadlines shall be borne by the Seller. Later deliveries of Goods can be rejected and sent back to the Seller at the Seller's expense. The Buyer also reserves the right to reject a partial delivery. The Seller acknowledges that in the event of the late delivery of the Goods, the Buyer may charge the Seller all demonstrably incurred additional expenses incurred due to late delivery of the Goods (e.g., contractual penalties for late delivery of the Buyer's own products of which the Goods are part). The Goods must be dispatched with regard to the requirement of safe transport in suitable cartons or other agreed packaging. The cost of this packaging will not be charged to the Buyer unless different terms have been agreed on with the Seller.
  7. Quality and Warranty Conditions

The Seller shall deliver the Goods in a quality corresponding to the purpose for which the Goods are typically used, pursuant to Act No. 22/1997 Coll., the Act on the Technical Requirements of Products, in the latest valid version.
  8. Claims

The Seller declares that that sold products meet the general requirements for safety pursuant to Act No. 102/2001 Coll., the Act on General Product Safety. The Seller is liable for defects in quantity, quality and design that the goods have at the time of transfer of ownership to the Buyer under this Agreement, as well as for defects that occur during the warranty period. The Seller shall provide the Buyer with a warranty on the delivered Goods for a period of at least 24 months from the receipt of the Goods, unless otherwise agreed in writing. The Seller is obliged to enclose all documents (e.g., attestations, certificates, declarations of origin, licenses) free of charge with the delivery, if this follows from the Order, legal regulations or other agreed terms. The Seller is responsible for the final inspection of the Goods. Following delivery of the Goods to the Buyer, the Buyer shall perform an acceptance check of the type and quantity of the received Goods and for obvious defects caused by transport. The Buyer is not obliged to perform a detailed inspection upon the receipt of the Goods.
  9. Withdrawal from Agreement

The Buyer is entitled to exercise the rights arising from liability for defects by means of a written claim or email within 3 months of the receipt of the Goods, or after the Buyer, taking into account all the circumstances, could have identified the defect. Hidden defects demonstrably caused by defective material, defective construction or poor manufacture that were not discovered upon receipt of the Goods may be claimed within the same period beginning the moment they were discovered. If the Seller delivers defective products in a batch, they will first be given the opportunity to sort the defective Goods and replace the defective Goods with those without defects, or to replace the entire batch (delivery) so that it does not contain any defective goods within one week from the filing of a claim. In the event that the Seller does not use this opportunity on the basis of a claim – even by phone – without undue delay, the Buyer is entitled to withdraw from the relevant Order and return all (unsorted) goods in the delivery at the expense of the Seller. The Buyer is exclusively concerned with perfect performance. The Seller shall reimburse the Buyer for all costs, expenses and losses caused by sorting, inspection, replacement, repair, storage, disposal and /or return of defective Goods. The Seller acknowledges that the Buyer does not have to return all defective goods as part of the claim; a representative sample of defective Goods is sufficient to determine the causes of the defects and the degree to which the Goods are defective. In the case of a justified claim, the Buyer is entitled to charge the Seller a penalty for handling the claim:  
The first and second claim in the past 12 months – a flat processing fee of CZK 2,000.  
The third and additional claims in the past 12 months – a flat processing fee of CZK 5,000.  
Expenses for extra work in the amount of CZK 500/hr. Will be added to the flat processing fee (e.g., 100% quality control of Goods, etc.)
  10. Governing Law

If the Seller fails to fulfil any of its legal or contractual obligations arising from the Purchase Agreement or the Order, the Buyer is entitled to insist on the fulfilment of this obligation or to withdraw from the Agreement and order the Goods from a third party. In both cases, the Buyer has the right to compensation for damage from the Seller caused by a breach of their obligations. In the event of the supplier's delay in the delivery of Goods, the customer is entitled to claim and demand financial compensation for damage caused by the late delivery of Goods.
  11. Arbitration Clause

The rights and obligations of both Contracting Parties are governed exclusively by Czech law.

If no agreement is reached, disputes will be decided exclusively and definitively in arbitration proceedings before the Arbitration Court at the Economic and Agrarian Chamber of the Czech Republic in Prague composed of three arbitration judges appointed in accordance with the statute of this arbitration court. This ruling must also contain a decision on the cost of said proceedings. The losing Party shall cover the legal expenses of the winning Party. The Buyer and the Seller agree that the arbitration proceedings, including oral proceedings, written evidence and correspondence, will be conducted in the Czech language. The arbitration proceedings will be held in Prague, Czech Republic.
- These General Purchasing Terms of M.A.S. Automation a.s. are valid as of 1/5/2020 and replace all preceding General Purchasing Terms.