

GENERAL TERMS AND CONDITIONS (PURCHASING)

1. Introduction

- 1.1. These General Terms and Conditions (purchasing), (hereinafter referred to as the "*T&C*") form an integral part of all purchase contracts concluded by TATRA DEFENCE VEHICLE a.s., registered office at Kodaňská 521/57, Vrřovice, 101 00 Prague 10, the Czech Republic, company ID 241 52 269, as the Buyer (hereinafter referred to as the "*Purchase Contract*") and also part of all framework supply contracts, the subject of which are more detailed conditions of cooperation of the contracting parties during the purchasing of Goods and the conclusion of partial purchase contracts. Where the Purchase Agreement is referred to in this T&C, it also means a partial purchase agreement concluded in accordance with the framework purchase agreement. The rights and obligations of the parties agreed in relation to the Purchase Agreements under this Agreement shall apply mutatis mutandis to framework purchase agreements in a similar manner and to the extent that it is not logically against it.
- 1.2. The express provisions stated by Parties in the Purchase Contract deviating from the T&C shall prevail to the provisions of these T&C.
- 1.3. The Seller's General Terms and Conditions do not form a part of the Purchase contract, unless the Buyer and the Seller otherwise expressly agree in a particular case.
- 1.4. The Buyer established the application "*Supplier's portal*" on his respective website (<https://tatradv.cz/dodavatelsky-portal>) for the purpose of communication with the Sellers. The Supplier's portal shall provide information to the supplier-purchaser chain more easily, effectively and faster. Shall the Buyer ask the Seller to use the Supplier's portal, the Buyer is obligated to do so.

2. General provisions

- 2.1. By signing the Purchase Contract, the Seller agrees to deliver to the Buyer a movable item (Goods) specified individually or in quantity and type, and transfer the ownership of the Goods to the Buyer and the Buyer agrees to pay the purchase price. The contracting parties have agreed that, to the fullest extent logically possible, the provisions of these term and conditions shall also apply in the event that the Seller supplies the Buyer with services (service, performance of activities, etc.). Where this contract refers to the Purchase

Contract, it also means a contract for the provision of a service or a contract for work, the subject of which is the supply of services.

- 2.2. The Purchase Contract shall be in writing, while respective expressions of will do not have to be made in the same deed. The Purchase Contract usually has the form of a confirmed order. The order can be made by e-mail if the e-mail addresses specified for business correspondence will be stated in the purchase contract or will be provided and confirmed to the other party from the specified e-mail addresses.
- 2.3. The Seller shall confirm the order to the Buyer within 5 (five) working days of receipt. If the Seller does not confirm the order within the specified period it is considered that the order is accepted.
- 2.4. A reply to the offer which seems to be an acceptance of the offer but includes any additions, limitations or any other changes shall always be considered a new offer and requires written acceptance by the Buyer. The Buyer hereby precludes the acceptance of the offer with an addition or deviation. In the event that the acceptance of the Seller's order contains information on the use of the Seller's Terms and conditions, such acceptance is considered a new offer.
- 2.5. A timely acceptance of the proposal shall become effective in the moment when the acceptance of the proposal content reaches the proposer. A late acceptance of the proposal shall have the effect of a timely acceptance only if the proposer notifies the person to whom the proposal was made about such acceptance without any undue delay and in the form of electronic communication.
- 2.6. The concluded Purchase Contract, which also includes these T&C, replaces all previous arrangements of the Parties in the same matter, whether written or oral, unless their further force is expressly agreed in the Purchase contract.
- 2.7. The subject of the Purchase Contract is only the Goods and Services expressed and specified in the Purchase Contract.
- 2.8. The Seller shall ensure that the Goods are not burdened with any third-party rights, which would limit or make impossible their acquisition or their disposition by the Buyer in any way. Should the Seller use the things provided by Buyer for the purpose of production of Goods, this provision shall not apply to those things.
- 2.9. Individual items of the Goods shall always be labeled by, among others, the Buyer's internal designation, the so-called Stock Item Number, especially in the order, Purchase Contract, delivery note and invoice.

2.10. The delivery term or, respectively, delivery date, shall be the essential element of the Purchase Contract in addition to the formalities laid down by the Civil Code.

3. Prices

3.1. The Purchase Price is agreed between the Parties.

3.2. The Purchase Price is agreed under the delivery parity DDP Buyer's production facility in accordance with INCOTERMS 2020, unless both parties agree otherwise.

3.3. An agreement on the Purchase Price, usually for repeated deliveries, may take the form of a price list. In such a case, the order, offer and Purchase Contract shall include a reference to the exact price list. Changes to the price list, the subject of which is an increase in the prices of the Goods, shall only be possible by written agreement of the Parties. Such changes to the price list, the subject of which is only a reduction in the price of the Goods, are valid upon delivery of the new price list to the Buyer.

4. Payment conditions

4.1. The Buyer shall pay the Purchase Price based on the Seller's invoice. The invoice shall be delivered to the Buyer via electronic form on the e-mail address sa.tdv.invoicing@tatradv.cz only.

4.2. The Seller's right to issue an invoice shall arise based on due performance of complete delivery of all Goods, i.e. acceptance of the Goods by the Buyer or the first carrier. Unless Parties agree otherwise in the Purchase Contract, partial performance of the delivery is not possible, respectively partial fulfilment does not entitle the Seller to issue an invoice for the partially fulfilled delivery.

4.3. The Seller shall send an invoice to the Buyer without undue delay once entitled to issue an invoice.

The invoice must include particulars of a tax document and business deed. The invoice must also include the name of the Goods, their type designation and the Buyer's internal designation, the quantity of Goods, the full Buyer's order or Purchase Contract number or designation, the date of the taxable supply, date of invoice, date of sending the invoice, delivery note designation or number and Seller's bank account specified in the Purchase Contract or order. If Seller changes his bank account details, his authorized representative shall officially inform the Buyer of such change in a written form. The invoice

that does not include the aforementioned details shall not be accepted by the Buyer and will be returned to the Seller for appropriate corrections.

- 4.4. The invoice shall be paid within 60 (sixty) days from the duly date of taxable supply unless both Parties agree otherwise in advance.
- 4.5. The Purchase Price shall be paid via bank transfer to the Seller's account specified in the invoice.
- 4.6. Payment means deducting the agreed Purchase Price from the Buyer's account.
- 4.7. In case of faulty delivery, the invoice due date shall be automatically extended by the period of time it takes to correct the faults (respectively whole complaint procedure).
- 4.8. Without the Buyer's prior written consent, which shall not be unreasonably withheld, the Seller is not entitled to assign or pledge to any third parties its receivable against the Buyer.

5. VAT Guarantee

- 5.1. The bank account to which the payment for the taxable supply is to be made shall be published by the Seller's tax administrator no later than the invoice due date in a manner allowing remote access under section 109, par. 2 letter c) of Act no. 235/2004 Coll. regarding VAT as amended (hereinafter referred to as the "*Reliable Account*"). Should the account to which more than twice the amount stipulated by the law as cash payment limitation which, if exceeded, implies the obligation to make a non-cash payment, not be a Reliable Account, the Buyer shall be entitled to return the invoice to the Seller without undue delay after this finding, but at the latest by the due date of the relevant invoice, to replace the account with the Reliable Account. In such a case, the Buyer shall not be in delay with payment for the respective taxable supply and a new due date shall be established upon delivery of the corrected invoice. Should the Seller refuse to replace the bank account to which payment is to be made paid and which is not a Reliable Account with the Reliable Account, or should the Seller not have such a Reliable Account, the Buyer shall be entitled to pay the taxable amount exclusive of VAT to the Seller to their account and the corresponding VAT to the Seller's tax administrator. In such a case, the payment of the taxable amount exclusive of VAT and corresponding VAT to the Seller's tax administrator shall be considered as proper fulfilment of the Buyer's obligation to pay the price of the taxable supply, including VAT, and the Seller shall not have the right to claim against the Buyer any additional payment amounting to the corresponding VAT or interests on late payment,

contractual penalties or any other property sanctions or damages due to delay with payment.

- 5.2. Should the Seller determine an account held by the payment service provider outside the Czech Republic to receive payment for the taxable supply, the Buyer shall be entitled to return their invoice to the Seller without undue delay after this finding, but no later than the due date of the respective invoice, in order to replace the account with the Reliable Account held in the Czech Republic. In such a case, the Purchaser shall not be in delay with payment for the respective taxable supply and a new due date shall be established upon delivery of the corrected invoice. Should the Seller refuse to replace the bank account to which payment is to be made paid and which is not a Reliable Account held in the Czech Republic with the Reliable Account held in the Czech Republic, or should the Seller not have such a Reliable Account held in the Czech Republic, the Buyer shall be entitled to pay the taxable amount exclusive of VAT to the Seller to their account and the corresponding VAT to the Seller's tax administrator. In such a case, the payment of the taxable amount exclusive of VAT and corresponding VAT to the Seller's tax administrator shall considered as proper fulfilment of the Buyer's obligation to pay the price of the taxable supply, including VAT, and the Seller shall not have the right to claim against the Buyer an additional payment amounting to the corresponding VAT or interests on late payment, contractual penalties or any other property sanctions or damages due to delay with payment.
- 5.3. By confirming an order or concluding the Purchase Contract in another way the Seller confirms that, as of the date of order receipt or the conclusion of the Purchase Contract in another way, they are not an unreliable payer within the meaning of § 106a of Act No. 235/2004 Coll. regarding VAT as amended (hereinafter referred to as the "Unreliable Payer"). Should the Seller subsequently become an Unreliable Payer, they shall accordingly inform the Buyer in writing without undue delay. Should the information that the Seller is an Unreliable Payer be disclosed in a manner allowing remote access at the moment of taxable supply, the Buyer shall be entitled to pay the taxable amount exclusive of VAT to the Seller and the corresponding VAT to the Seller's tax administrator. In such a case, the payment of the taxable amount exclusive of VAT and corresponding VAT to the Seller's tax administrator shall considered as proper fulfilment of the Buyer's obligation to pay the price of the taxable supply, including VAT, and the Seller shall not have the right to claim against the Buyer an additional payment amounting to the corresponding VAT or interests on late payment, contractual penalties or any other property sanctions or damages due to delay with payment. The Seller's

disclosure as an Unreliable Payer shall be the reason for the Purchase Contract termination by the Buyer.

- 5.4. If the Buyer is requested by the tax administrator to pay the relevant amount of VAT directly to tax administrator's account, and the Buyer has already paid the amount corresponding to VAT to the Seller's account, the Seller is obliged to pay the Buyer the amount paid corresponding to VAT, within 10 days on the day when the relevant tax administrator will first register the Seller as an unreliable taxpayer. In the event that the Seller was already identified as an unreliable taxpayer at the time of payment, the Seller is obliged to pay the Buyer the amount paid corresponding to VAT within 3 days after the payment.

6. Terms of Delivery

- 6.1. The Seller shall deliver the Goods in a duly and timely manner within the term agreed by the Parties in the Purchase Contract.
- 6.2. All delivery terms and conditions shall be governed by the International Commercial Terms (INCOTERMS 2020) issued by the International Chamber of Commerce in Paris, unless the Purchase Contract states otherwise.
- 6.3. The agreed incoterm is DDP Buyer's production facility (Areál TATRY 1450, 742 21 Kopřivnice) in accordance with INCOTERMS 2010, unless both parties agree otherwise. The Buyer's registered office (Kodaňská 521/57, Vršovice, 101 00 Praha 10) IS NOT THE BUYER'S DELIVERY ADDRESS!
- 6.4. The Seller shall inform the Buyer about the readiness of supply delivery by e-mail no later than 3 (three) working days in advance.
- 6.5. The Seller shall enclose a delivery note to each delivery, always including at least the full number or designation of the Buyer's order or the Purchase Contract, date of Goods hand-over to the Buyer, name and type name of the Goods, Buyer's internal designation and quantity of individual Goods items, type and number of packages and transport method.
- 6.6. The Seller shall ensure that the carrier performs quantitative check of Goods and that it fill the information about date and place of Goods delivery in the delivery note.

7. Packaging

- 7.1. The Goods shall be delivered and packaged in accordance to the up-to-date Packaging regulation published on the Buyer's "Supplier's portal" (<http://tatradv.cz/dodavatelsky-portal>), or in accordance with the Purchase

Contract's or Buyer's order appendix regarding the delivery and package of the Goods. If standard Buyer's Packaging regulation cannot be applied on the Goods, specific conditions on packaging of such Goods will be specified in detail in the Purchase contract or the Buyer's order. Delivered Goods shall be labeled with Buyer's QR-code.

- 7.2. The Goods shall be delivered on a pallet or another way allowing handling the Goods by forklifts.
- 7.3. A pallet shall be adequate to the character of the Goods, as well as the requirements for safe transport of the Goods.
- 7.4. The Goods must be packaged, manipulated and transported so as to avoid damage due to mechanical, climatic, atmospheric or other effects.
- 7.5. Containers and packaging must be labelled as agreed between the Seller and the Buyer, always at least by providing the following information on the Goods: The Seller's and Buyer's name, designation of the Purchase Contract (Buyer's order number), dimensions and weight of packaging, eventually the Purchase Contract identification (Buyer's purchase order number). The labels on the packaging must be such as to prevent its devaluation or destruction during transport or storage.
- 7.6. Obaly a balení Zboží musí být vždy provedeno v souladu s platnými právními předpisy upravujícími nakládání s příslušným druhem Zbožím, a to i takové předpisy platné dle sídla Kupujícího. Containers and packaging of the Goods must always be made in accordance with the valid legal regulations governing the handling of the relevant type of Goods, even the regulations valid for the governing law of country where the registered office of the Buyer is.

8. Interest on late payments, contractual penalties, damages

- 8.1. Should the Buyer be in delay with payment of the Purchase price, the Seller shall have the right to require the Buyer to pay statutory interest on late payments.
- 8.2. Should the Seller be in delay in delivery of the Goods, the Buyer shall pay a penalty of 0,5 % (half a percent) of the total Purchase Price agreed in the Purchase Contract for each day of delay, up to maximum of 10 % (ten percent) of the total Purchase Price agreed in the Purchase Contract.
- 8.3. Should any Party violate the clauses on protection of information (art. 17) or clauses on the industrial rights (art. 18) of these T&C, the Party in violation

shall pay a penalty amounting 1 000 000 CZK (one-million-Czech-crowns-only) for each violation of any of these clauses.

- 8.4. This penalty provisions shall not anyhow affect the Party in violation liability to compensate damages. The claim for damages is a separate claim and shall be reimbursed in full and without any limitation. The contractual penalty is payable (due) on the day following the day on which the right to it arises.

9. Quality requirements

- 9.1. The Seller shall produce the Goods or arrange their production so that their quality and features fully meet the requirements stated in Purchase Contract, relevant technical documentation, approved sample management, technical norms and required defensive standards.
- 9.2. If the Seller has implemented the EN ISO 9001 standards, the Seller is liable for the Goods being manufactured a monitored in accordance with such standard.
- 9.3. Any change in the Goods must be approved in advance by both Parties.
- 9.4. The Buyer shall be allowed to explicitly specify in the order: quality requirements for the Goods, its design, functions or features. The Seller is obliged to either manage the conformity of the Goods with such Buyer's requirements or notify the Buyer in writing about the differences in the Goods to the Buyer's requirements. In such case, the Purchase Contract is concluded first at the time the Buyer explicitly and in writing accepts the aforementioned differences.
- 9.5. The design documentation or technical specification on the Buyer's Goods shall always contain the definition of the material required. Shall the Seller be not able to fulfill the Buyer's requirements or demands for specific material, but the Seller offers a material's alternative, such alternative must be distinctively and expressly accepted by the Buyer in writing. Shall the Seller not offer any alternative to the material demanded in design documentation and shall the Buyer order such material based on the Seller's offer, the Seller is fully liable for non-conformity of the material with the documentation. Shall the Seller offer a alternative to the material demanded in the design documentation and shall the Buyer order such material based on such Seller's offer, the Buyer shall be fully liable for the alternative material used.
- 9.6. The Seller shall create the so called "Goods Production Documentation" for a purpose of Goods' production. In such case Seller shall be fully liable and responsible that the Production Documentation meets all Buyer's requirements, regardless of whether such requirements originate from the

specifications send by the Buyer, the documentation handed over by the Buyer (technical, design, production, project etc.), the contract or by any other binding document. Shall the Buyer no explicitly approve any suggested changes in the Production Documentation created by Seller in comparison with the Buyer's requirements, the Seller shall be liable for any changes in the production documentation, even though the Buyer has had an opportunity to make themselves aware of the Production Documentation. The Seller shall be liable for the suggested Production Documentation related to the final product and for all expenses, shall any correction be needed.

- 9.7. Each individual Goods must be marked. The Parties shall agree on the method of designation, its design and location, if not implied by the approved technical documentation.
- 9.8. The Seller shall ensure that the implemented system of inspections and tests at the Seller will create conditions for the Goods to be released to the Buyer for further processing, assembly or any other use without any need to subsequent inspections maintained by the Buyer.
- 9.9. The Seller shall, at Buyer's request, submit to the Buyer the methodology pursuant to which the inspections are carried out. The submitting means hand-over of copies or enabling the Seller to examine the original documentation. The Seller in oblige to enable the Buyer to perform an audit.
- 9.10. The Seller shall keep supporting records of all inspections, measurements and tests during the manufacture of Goods, as prescribed by the approved documentation. The records shall be kept for a minimum period of 5 (five) years and for "D" parts for at least 10 years.
- 9.11. Upon the Buyer's request, the Seller shall submit to the Buyer the reports of inspections, measurements and tests of the Goods performed during the production of the Goods for verification, no matter whether they are a part of the consideration according to these T&C or the Purchase Contract.
- 9.12. The Seller shall, upon the Buyer's request or under the Purchase Contract, deliver the "Goods Quality Certificate" along with each delivery of the Goods to confirm that the Goods conform to the approved technical documentation and have been released for delivery by the Seller. Without the Goods Quality Certificate, if required, the delivery is not properly fulfilled and the due date of the purchase price is automatically extended by the time before the Quality Certificate is properly delivered to the Buyer. The Goods Quality Certificate may be part of a delivery note.

- 9.13. The Seller shall deliver with the Goods a "Report" showing the results of the specified tests if the Parties agree so in the Purchase Contract or if such obligation arises from approved documentation. The delivery is not properly fulfilled without the Report and the due date of the purchase price is automatically extended by the time before the Report is properly delivered to the Buyer.
- 9.14. If it is stipulated under the Purchase Contract or the parties agree so the Seller is obliged to deliver the documentation for the Goods with the Goods (operating manual, instructions, etc.). Without the delivery of this documentation the delivery is not properly fulfilled and the due date of the purchase price is automatically extended by the time before the documentation is properly delivered to the Buyer.
- 9.15. The Seller is responsible for ensuring that the Goods, which are subject to the provisions of Act No. 22/1997 Sb., on Technical Requirements for Products and on Amendments to Certain Acts, as amended, meet the requirements of relevant technical regulations valid in the Czech Republic and that the Seller has complied with the procedures laid down when assessing their conformity.
- 9.16. The Seller shall handover to the Buyer upon request copies of the relevant "EC Declarations of Conformity" or "Declaration of Conformity" along with the Goods according to the art. 9.12 of these T&C.
- 9.17. The Buyer shall be entitled to carry out, at its own discretion, testing and inspection of the Goods to verify the compliance with the agreed quality characteristics and parameters of the Goods.
- 9.18. The Buyer is entitled to verify - in the form of an audit at the Seller's premises or its subcontractors' premises involved in any way in the supply of the Goods - that the quality assurance measures meet the Buyer's needs. The audit may be conducted within the entire system, process or a product. The Seller shall enable the Buyer to carry out this audit. The Buyer is obliged to notify the Seller of the audit at least 5 working days in advance.
- 9.19. Should discrepancies be detected during the audit pursuant to art. 9.18 of these T&C, the Seller shall, in agreement with the Buyer, prepare and implement a Corrective Action Plan to remove such discrepancies, or it is entitled to withdraw from the Purchase Contract.
- 9.20. The Seller's subcontractors involved in any way in the supply of the Goods shall be subjected to the same rules as the Seller regarding the Quality Management System, which is the Seller's responsibility. The Seller is

responsible for the quality of the products used by the subcontractors for the production or delivery of the Goods in the same way as if the Seller has supplied them itself.

- 9.21. The Seller acknowledges that due to the fact that the Goods are inspected by the carrier only in relation to the quantitative extent, the Seller waives its right to reject the late defect complaint of the Goods.

The Seller shall continuously develop action, while keeping at least original quality of the Goods thanks to their technological knowledge, innovation and willingness to optimize the Goods delivered, to take into account the lower costs of their production in determining their price and to contribute to maintaining the competitiveness of the Buyer's final products and long-term operation in the relevant market as well as to maintain business partnership relations with the Buyer bringing lasting benefits to both Parties.

10. Government Quality Assurance

- 10.1. The Seller agrees that in cases where the Buyer uses the Goods on their own or along with their final products within the so-called Public Procurement, the Goods may be subject to the Government Quality Assurance in accordance with Act no. 309/2000 Sb., on the Defense Standardization, Codification and Government Quality Assurance of National Defense Products and Services and on the Amendment to the Trade Law as amended.
- 10.2. Any requirement to perform state quality verification and its scope will be specified in a separate annex to the Purchase Contract.
- 10.3. The Seller acknowledges that the Goods specified in the Purchase Contract may be subject to cataloguing pursuant to the Act No. 309/2000 Sb., and in this case the Seller undertakes to provide all necessary cooperation in the delivery of the necessary data for cataloguing.

11. Quality Warranty

The Seller shall provide the quality warranty of 24 (twenty-four) months from the delivery of the Buyer's final product, into which the Goods were incorporated, to the Buyer's customer or from the delivery of the Goods as spare parts to the Buyer's customer.

- 11.1. However, the warranty period is always 30 (thirty) months from delivery of the Goods to the Buyer as a maximum.

11.2. The warranty period according to art. 11.1 and 11.2 of these T&C may be extended or adjusted to comply with the requirements of the Buyer's customer and therefore it shall be specified in the Purchase Contract or Order.

12. Liability for defects, claims (claim for defects or warranty for quality)

12.1. The Seller shall deliver the Goods in quantity, quality and design specified by these T&C and Purchase Contract.

12.2. The Seller shall ensure the Goods are packed for transport in a way determined by these T&C and Purchase Contract.

12.3. Should the Seller break the obligations stipulated in this Section of these T&C, the Goods shall be considered defective.

12.4. A delivery of the Goods other than specified in the Purchase Contract and defects in the documents shall also be considered as defect of the Goods, and further as provided in the Act no. 89/2012 Coll., the Civil Code, as amended (hereinafter referred to as the "Civil Code"), these T&C and the Purchase Contract.

12.5. Liability for defects shall be governed under the Civil Code provisions, unless otherwise stipulated in these T&C or the Purchase Contract. The application of any complaint rules and conditions of the Seller is expressly excluded, unless the contracting parties expressly stipulated their will to follow them.

12.6. Any defect in the Goods (i.e. a defect establishing the Seller's liability for defects or defect covered by quality warranty) can be claimed at any time within the claim period determined by the Warranty Period duration. The defects in delivered quantity can be claimed within 10 (ten) working days from receipt of the Goods by the Buyer, unless the Seller breach the obligation stated in art. 6.6 of these T&C – in such case the 10 (ten) working days claim period does not apply and the Buyer can claim the defect even after the 10 (ten) days from the receipt of the Goods. In order to avoid any doubts, the Parties hereby expressly exclude the application of the provisions of sections § 1921, 1965, 2103, 2104, 2111 and 2112 of the Civil Code to the relationship established by the Purchase Contract.

12.7. Defects of the Goods can be claimed by a written notice sent to the Seller by a registered letter to their address or an e-mail.

12.8. Should the Buyer raise a claim to the Seller regarding defects of the Goods identified before its incorporation into the final product (vehicle), the Seller shall remove the defect by supplying a new item, i. e. new Goods, unless

otherwise agreed with the Seller in the specific matter. The Seller shall deliver the new Goods without delay, however, at the latest within ten (10) days from the defect notification. After the ineffective expiry of the above period, the Buyer shall be entitled to terminate the Purchase Contract in whole or in part (to the extent of defective Goods) or choose any other complaint handling procedure provided for by law. The Seller shall be liable for any damage (harm) incurred by the Buyer as a result of the Seller's failure to remove defect of the Goods properly and in a timely manner.

- 12.9. In the event that the Buyer or its customer discovers a defect after the integration of the Goods to the final product (vehicle), the Buyer, respectively the customer, shall decide on any method of rectification of the defect that is provided by the law, regardless of whether the defect is material or not. The Buyer is entitled to change the chosen method of resolving the complaint in the event that it turns out that the chosen method of complaint is not possible to settle the complaint within thirty (30) days of the complaint being lodged.
- 12.10. The Seller is obliged to inform the Buyer without undue delay, but no later than 5 working days after the Buyer files a complaint, whether he accepts the complaint or not. The Seller is obliged, together with this information, to inform the Buyer of the binding date in which the defect will be repaired. The deadline for eliminating the defect may not exceed 30 days without a serious reason, or he is obliged to state and prove such serious reason. After the expiration of this period in vain, the Buyer is entitled to withdraw from the Purchase Agreement in whole or in part (to the extent of the defective Goods) or to choose any other procedure for resolving the complaint provided for by law.
- 12.11. The Seller acknowledges that claims for defects in the Goods, which will be detected by the Buyer (respectively by its customer) during the operation of the final product (vehicle) at the Buyer's customer, will be resolved in the Buyer's service network, or by duly trained employees of the Buyer. Therefore, if the Buyer exercises the claims for defect in Goods found during the operation of the vehicle, then it is considered as the agreement of the parties is that the Buyer will repair or replace the defective Goods himself at the expense of the Seller, unless otherwise agreed with the Seller in a particular matter. In such a case, the Seller is obliged to provide all the cooperation necessary to ensure the repair, in particular to deliver a spare part or a new piece for a defective one. The Seller is further obliged to pay to the Buyer (i) the costs of repair, which include in particular, but not exclusively, the costs of dismantling the defective Goods and assembling new (replacement) ones and

(ii) the actual reasonable costs associated with detecting defects, dismantling defective Goods and by acquiring and assembling new (replacement) ones (especially costs for tests, analyses, used material, including the price of a spare part, etc.). The costs shall be paid no later than within 30 days from the delivery of the notice to claim the costs reimbursement. Instead of exercising the claim for defect of the Goods in the manner described above, the Buyer is entitled to file a complaint and choose any method of eliminating the defect provided by law from the Seller, including withdrawal from the contract. The Buyer is entitled to exercise the rights states at this paragraph, respectively the Buyer's right to withdraw from the contract, even if the law does not grant the Buyer the right to withdraw from the contract due to the defect.

- 12.12. Returned Goods located in the Czech Republic shall be available to Seller to assess the alleged defect upon their written request only. Due to high transport costs and customs applicable for transport of defective parts from abroad, they will remain with the Buyer's contractor in the respective country where they will be collected for over a period of 6 months for the possibility of inspection by both the Buyer's and the Seller or for the possibility of Goods hand-over. If the Seller does not pick up the defective Goods at this time or does not arrange transport at its own expense, the Seller expresses its will to abandon the item.
- 12.13. Following a notification of defects (except for defects in quantity), in cases where the Buyer requests it, the Seller shall:
- analyze the cause of the non-conformity, and inform the Buyer within 10 (ten) working days about immediate corrective action taken in the form of 3D report, and within 30 (thirty) working days the Seller shall submit a full 8D report to the Buyer,
 - thoroughly test the batch of new Goods and label it in the manner to be agreed with the Buyer,
 - isolate all non-conforming Goods items and those Goods items suspected to show a non-conformity located in warehouses and in the production process from the conforming Goods items and label them clearly,
 - provide the Buyer upon its request with the records based on which Buyer can track the defective Goods,
 - take all test and control measures to ensure supplies of the conforming Goods,

- observe the measures taken until the elimination of the causes of nonconformities and for the subsequent test period, the length of which shall be agreed with the Buyer.

13. Spare parts

- 13.1. The Seller shall provide the Buyer with the supplies of spare parts for the Goods of at least 10 (ten) years from the completion of deliveries under the Purchase Contract, under usual purchase price corresponding to the usual price at the place and time for a similar product. This period may be determined otherwise according to the requirements of the Buyer's customer and must be mutually agreed in the Purchase Agreement or Order.
- 13.2. Subject to the provisions of above-mentioned Article of these T&C, the Seller shall inform the Buyer in a sufficient time in advance of fundamental updates and changes to parameters, external appearance or manner of Goods incorporation, as well as an intent to terminate the production of the Goods previously supplied.
- 13.3. Should the Buyer not be able to meet their obligations pursuant to Article 13.1 of these T&C, the Parties shall negotiate a solution method, where the Buyer shall have the right to require all the necessary technical documentation to ensure replacement production of the original Goods and the Seller shall provide this documentation in a timely manner and to the extent necessary for the respective purpose.

14. Part approval process and procedures

- 14.1. In cases where the Buyer requests so, the Seller shall, before the commencement of series supplies, undertake Production process management and product release approval (hereinafter referred to as "sample management" or "PPAP" = Production Part Approval Process), at the level established by the Buyer.
- 14.2. The sample management will be absolutely necessary before starting of supplies of "D" parts, at the level established by the Buyer. "D" parts are the parts that may cause danger to human life, safety, seriously undermine the protection of the environment or have a major impact on the vehicle reliability, particularly brake and steering components. "D" parts are referred in the Technical Documentation, order or the Purchase Contract.
- 14.3. Sample management means the process of verifying the Seller's capability to produce and deliver the Goods to the Buyer in a mutually agreed technical workmanship and quality, as well as in case of the Goods design changes

(dimensions, material, properties, functional parameters, etc.), major changes in the manufacturing technology, after interruption of the Goods production for more than 2 (two) years, as well as other cases where the Seller and Buyer so agree.

- 14.4. Samples shall be made using the equipment and procedures specified for the series production, where the number of samples, sampling conditions and terms shall be determined on a case-by-case basis.
- 14.5. The samples must be delivered by the Seller uniquely identified along with reports demonstrating specific results of dimensional inspections, material and functional tests performed on samples by the Seller.
- 14.6. The samples of the Goods which are subject to Act no. 22/1997 Sb., regarding technical requirements for products and amendments to certain Acts, as amended, must be supplied by the Seller together with copies of the "EC Declaration of Conformity", samples of the Goods subject to the homologation (type approval) according to the ECE or EC Directives must be supplied by the Seller along with the "Homologation Certificate."
- 14.7. Consent with a supply of the Goods based on the results of the Sample Proceedings will be issued by the Buyer in writing, not later than thirty (30) days from delivery of the samples. Should the Buyer not agree with a delivery of the Goods on the basis of the Sample Proceeding results, the Buyer shall issue their disagreement including its justification within the same term.
- 14.8. Should the Sample Proceedings be terminated by the Buyer's disagreement with the delivery of the Goods, the Buyer shall have the right to terminate the Purchase Contract at the same time. In such a case, the Parties shall bear the costs incurred in connection with the Purchase Contract performance until the moment of termination separately; the rights of either Party to compensate for any damage caused shall not be affected as a result.

15. Liability insurance

- 15.1. Before Framework Purchase Agreement is concluded, the Seller shall submit to the Buyer, at the latest on the Framework Purchase Agreement effective date, a document proving that the Seller has properly concluded insurance contracts regarding damage liability insurance and product liability insurance, to the extent which the Buyer deems appropriate to a particular case.
- 15.2. The Seller shall maintain the insurance in force until the settlement of all claims and rights arising out of the concluded Purchase Contract, including claims of quality warranty.

16. Cataloguing and Codification

- 16.1. Should the Goods manufactured in the Czech Republic be the subject of the Purchase Contract, the Seller shall, upon the Buyer's request in the form of cataloguing clause, carry out the cataloguing of the Goods pursuant to generally binding legal regulations and principles of the NATO Codification System.
- 16.2. Should the Goods manufactured in a NATO Member State be the subject of the Purchase Contract, with the exception pursuant to the preceding paragraph, or in a country whose codification system is fully recognized by the NATO Allied Committee 135 (AC/135), the Seller shall supply the competent National Codification Authority with data to the extent and quality for the cataloguing purpose. In such, the Seller shall proceed in accordance with the NATO Manual on Codification (ACodP-1).
- 16.3. Should the Goods manufactured in countries other than those specified in above-mentioned Articles of this Section be the subject of the Purchase Contract, the Seller shall deliver the data necessary for cataloguing of items in the Czech Republic or in the country of final destination of the Buyer's final products in accordance with the NATO Manual on Codification (ACodP-1).
- 16.4. The Seller shall deliver without undue delay the information about changes that affect the Goods codification data to a competent National Codification Authority and the Buyer.

17. Protection of Information

- 17.1. With respect to the Confidential Information as specified in this Section, that will be made available by the Buyer to the Seller under or in connection with the Purchase Contract or negotiations regarding the conclusion thereof or otherwise disclosed to the Seller, as a whole or even as their individual parts, the Seller shall:
- neither publish nor otherwise disclose it to third parties,
 - neither use otherwise nor for any other purpose than agreed,
 - neither copy nor make copies, backups, etc. in any way, without the Buyer's prior consent,
 - maintain, handle and process it so as not to breach the Purchase Contract, these T&C or the Act,
 - neither use it for its own benefit nor the benefit of third parties, if not implied under the Purchase Contract or the present T&C nor otherwise misuse it against the Buyer's interests.

- 17.2. The term "Confidential Information" means any business information, technical, financial, organizational and other information directly or indirectly related to the Buyer, their specific employees, business partners, customers or contractors, however, not only that specifically listed here, recorded in any form on any media, as well as oral information, provided or otherwise made available to the Seller within negotiations regarding the Purchase Contract or pursuant to and within the concluded Purchase Contract by the Buyer, members of their bodies, their employees, consultants, entities controlled by the Buyer, etc.
- 17.3. The term "Confidential Information" means both the data and set of data stored on a data carrier, and the appropriate data carrier on which the data is recorded. Furthermore, the term "Confidential Information" also includes messages or communications sent by any means.
- 17.4. The term "Confidential information" under this Section does not include the information that is or will become publicly known during the duration of the Purchase Contract or these T&C otherwise than by breach of the Seller's obligations under the law, these T&C or concluded Purchase Contract or by a breach by a third party.
- 17.5. The term "Confidential information" under this Article does not cover the information that is clearly known to the Seller before it is made available by the Buyer, unless it has come to the Buyer's knowledge by unlawful conduct committed by the Seller or third parties.
- 17.6. The Confidential Information is and shall remain the Buyer's exclusive property even after a transfer or another disclosure to the Seller pursuant to these T&C or the concluded Purchase Contract.
- 17.7. The obligations under the present T&C and the concluded Purchased Contract shall not affect any obligations of the Parties to provide information and communications to the state and other institutions, especially courts and police, if such an obligation is implied by generally binding legal regulations or final lawful decision issued pursuant to and in accordance with generally binding legal regulations.
- 17.8. The Seller shall return the Confidential Information received under or in connection with these T&C or the concluded Purchase Contract to the Buyer within 10 (ten) days from being requested to return the Confidential Information. At the same time, the Seller shall also destroy all copies, extracts, transcripts, etc. of the Confidential Information, as well as permanently delete the Confidential Information from the computers, audio-visual or other

similar equipment, within the same period of time. The Seller shall confirm to the Buyer the destruction and deletion of the Confidential Information by means of an affidavit to be submitted along with returning the Confidential Information.

17.9. The Seller is obliged to preserve and archive the relevant product documentation for a definite term of 10 years after the last and final delivery of the Goods.

18. Industrial rights and Intellectual Property Rights

18.1. The Seller shall be responsible for the fact that the Goods, as a whole or their individual components and parts, do not infringe industrial or other similar intellectual property rights of any third parties.

18.2. The Purchase Contract does not represent granting of any license to use, or in any way transfer any rights to inventions, patents, industrial designs, utility models, trademarks, company, know-how, copyright, or other forms of industrial or intellectual property. In the event that the subject-matter of the Purchase Agreement is the Goods under the intellectual property rights protection, the Seller hereby grants the Buyer and possibly all its customers an unlimited, non-exclusive, gratuitous and irrevocable license to use the Goods in serial production of the Buyer's final products.

18.3. Should the Goods be manufactured in accordance with the Buyer's Technical Documentation provided by the Buyer to the Seller for that purpose, or otherwise disclosed to the Seller, the Seller shall not be entitled to manufacture under this Technical Documentation and supply the products (Goods) to any third party.

18.4. The Seller shall not be entitled to file a patent application or other form of industrial property protection in relation to the technical solution contained in the Buyer's Technical Documentation as stated in the previous paragraph, nor to enable any third person to do so and is not entitled to use the technical solutions in any other way that could cause any damage to the Buyer, in particular it is not entitled to perform reverse-engineering, adjustments, modification, usage for its own development or provision for this purpose to a third party.

18.5. The Seller shall inform the Buyer in writing about the use of all their patents, utility models and industrial designs protecting the Goods, as well as the licensed use of patents, utility models and industrial designs. Neither the

Seller's own nor licensed industrial rights to the Goods shall exclude or limit exports of the Buyer's final products.

- 18.6. The Parties have agreed that any improvements made during the term of the Purchase Contract or Framework Agreement on the Goods, whether designed, conceived, developed, invented or authorized by Seller at Buyer's request, are and will be the exclusive property of Buyer and Seller will assign all such rights to Buyer. In the event and to the extent that such transfer of ownership is not legally permissible, Seller hereby grants and / or irrevocably agrees to grant Buyer an unlimited, free, irrevocable, worldwide, sub-licensable license to use such intellectual property rights. In the event that these improvements are paid for by the Buyer, this license is provided as exclusive.
- 18.7. The Seller and the Buyer shall inform each other without undue delay about any counterfeit Goods, which they will learn about in their business area and provide each other with reasonable assistance necessary to properly and effectively prevent the sale of counterfeit Goods.

19. Models, molds, dies, templates, tooling, tools etc.

- 19.1. The Seller shall be entitled to use the models, molds, dies, templates, tooling, tools or any other means of production, fixtures and equipment, provided by the Buyer to the Seller for the purpose of producing the Goods, or made for the Buyer by the Seller for the purpose of producing the Goods or such means of production were paid or being paid by the Buyer (hereinafter referred to as the "Tools"), only and exclusively for the production of the Goods for the Buyer.
- 19.2. The Seller shall bear the cost of routine maintenance, care and operation of the Tools, lubrication, grinding, sharpening, updating of data tags on the Tools, as well as replacement of wearing Tool components.
- 19.3. The Seller shall always notify the Buyer in writing of the need to repair the Tools beyond the routine maintenance or of the need to replace the Tools with new ones.
- 19.4. The Seller shall protect the Tools from damage due to loss or destruction, store them only in locations and premises that are technically adequate and maintain appropriate temperature, not relocate them out of the premises pre-approved by the Buyer and allow the Buyer, upon their request, anytime access to the Tools to inspect the condition and use thereof.
- 19.5. The Seller shall not be entitled to enforce a lien for the Tools against the Buyer. Buyer is owner of Tools.

19.6. The Buyer shall be entitled to request the return of the Tools at any time. The Seller shall return the Tools in the same condition as when received, taking into account normal wear and tear in normal proper use; otherwise, the Seller shall pay an adequate amount to compensate for the damage incurred.

20. Force Majeure

20.1. Neither Party shall be liable to the other Party for delay in the performance of any or all of their obligations if the delay is caused by circumstances beyond the control of that Party, for example any Act of God, fire, storm, flood, earthquake, explosion, accident, war, terrorist acts, sabotage, epidemics, quarantine restrictions, embargoes, and so on (hereinafter referred to as "Force Majeure"). The Party which invokes Force Majeure shall notify the other Party of the occurrence of Force Majeure without undue delay in writing.

20.2. The Parties declare that they are aware of the current situation connected with the spread of the contagious disease COVID-19 and with the actual epidemiological situation. The Contracting Parties have expressly agreed that circumstances such as statutory quarantine (of the State or of the workers), emergency measures of relevant authorities or similar restrictions which neither Party could have prevented shall be considered as force majeure even if such circumstance would not meet the general definition of force majeure.

20.3. Should a Force Majeure event last longer than 3 (three) months without interruption, the other Party shall be entitled to terminate the Purchase Contract by a written notice to the Party invoking the Force Majeure.

21. Law, disputes

21.1. All legal relations between the Parties arising in connection with and based on the signed Purchase Contracts and these T&C shall be governed by the law of the Czech Republic, with the exclusion of the Vienna Convention on the purchase contracts of 1980.

21.2. Should the Seller be a person/entity residing in the Czech Republic, any dispute arising between the Parties out of the concluded Purchase Contracts and these T&C shall be resolved primarily by negotiation between the Parties. Should a particular dispute not be settled within 30 (thirty) days from its occurrence, either Party shall have the right to enter such a dispute to a competent court with respect to the Buyer's residence.

21.3. Should the Seller not be a person/entity residing in the Czech Republic, any dispute arising between the Parties out of the concluded Purchase Contracts and these T&C that are not resolved by amicable negotiation within thirty (30)

days from when the dispute arose between the Parties, the dispute shall be decided upon on the basis of a proposal from either Party exclusively and finally by the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic based in Prague, Czech Republic in accordance with its regulations and rules by a senate composed of three (3) arbitrators appointed also in accordance with the regulations and rules of the Arbitration Court. The arbitration will be held in Prague, in the Czech language.

22. The Buyer's Compliance program

- 22.1. The Buyer hereby declares, that it has implemented the Company's Compliance Program. The Buyer finds it impermissible to tolerate any unlawful actions, especially criminal acts or unethical actions. The Buyer condemns such actions as the Buyer finds them in violation with the basic requirements for dealing with the Buyer and therefore such actions are deemed to be against the interests of company and its management.
- 22.2. By concluding the contract, the Seller shall declare and ensure, that any and all of the ordered and delivered Goods has been and will be acquired neither via a criminal act nor as a remuneration for a criminal act or by any means in violation of a law. The Seller shall ensure to always duly confirm the origin of his own Goods, be aware of the Goods' origin and the Seller shall never conceal or render hidden the Goods' origin to the Buyer.
- 22.3. The Seller shall comply with the Buyer's internal directives when dealing with the Buyer and when fulfilling the contractual obligations among them. The Buyer's internal directives can be found on company's website under "O nás" (= About us) -> "Compliance program", "ET-LINK" and "Etická trojka" (= The Ethical Triad).
- 22.4. The Seller shall declare that he has made itself aware of any and all documents called "Etická trojka" (= The Ethical Triad), especially with "Kodex chování ve vztazích s externími subjekty" (= The Code on How to Act when Dealing with External Subjects) available at <https://tatradv.cz/eticka-trojka> and the Seller is obliged to act accordingly to the ethical and moral rules in those documents stated, both now and in future.
- 22.5. The Seller is obliged to notify the Buyer of any violation of the duties set by the aforementioned documents (especially the Ethical Code and The Code on How to Act when Dealing with External Subjects) by the Buyer's employees and workers.

- 22.6. The Seller acknowledges that the Goods or Services specified in the Purchase Contract may be considered to be a military equipment or safety equipment, even the dual-use goods. The Seller shall confirm and is obliged to fulfill all the requirements prescribed by law or international regulations according to the Acts on Managing the Military and Safety Equipment and dual-use goods as amended, as well as the export-import rules prescribed by any and all concerned states. The Seller shall also confirm and is obliged to possess any and all permits and licenses for further operation with the Goods, shall such permit or license be required.
- 22.7. The Seller is obliged to submit and handover to the Buyer any and all necessary information on the origin of the Goods and on the restrictions and requirements according to the third state's law or international regulations or prescribed by any state authorities, should such restrictions and requirements affect or could affect the Buyer or fulfillment of the contractual obligations based on the Purchase Contract (especially re-export conditions on Goods, required means of transport, storage and handling of the Goods etc.).

23. Final provisions

- 23.1. The Appendices are integral parts of the Purchase Contract.

The Purchase Contract may only be amended or supplemented in writing. However, the Buyer retains the right to change the T&C. In such case, the Buyer shall notify the Seller of the changes in writing, no later than 15 days prior to the effective date of the changes. The Seller shall be entitled to refuse a change to the T&C within 15 days of receipt of the notice, otherwise it is considered that they agree with the change. Should the Buyer not notify the Seller within 7 days from receipt of the rejection of the changes in the T&C that they revoke the proposal to amend the T&C the Seller shall be entitled to terminate the contractual relationship with the Buyer within a notice period of 14 days; should the Seller fail to do so without undue delay after the expiry of the limit for appeal to the Buyer's proposal, the changes shall have been considered as adopted and refusal shall be disregarded.