

Purchase Terms and Conditions of MODIA, a.s.

1. These terms and conditions determine a part of the content of each Contract between the Customer and the Supplier under which the Supplier agrees to deliver goods to the Customer and enable the Customer to acquire ownership rights to the goods, while at the same time the Customer agrees to take over the delivered goods and pay the agreed price to the Supplier (hereinafter as “the Contract”). Customer means the company **MODIA, a.s.**, having registered office at Prague - Velká Chuchle, Radotínská 41/14, postcode 159 00, place of business at Jihlava, Hruškové Dvory 53, postcode 586 01, identification number (IČ) **27741893**, registered at the Municipal Court in Prague under Section B, Insert 17423.
2. All legal proceedings relating to the Contract must be made in writing. For any Contract between the Supplier and the Customer the following shall be excluded: a. a possibility to conclude, amend or supplement the Contract verbally, tacitly or by an actual act (i.e. only through the Contracting Party behaving in some way, without having any legal reasons for such behaviour), b. an option to accept an offer with a supplement, stipulation or deviation, c. a possibility to assign the Contract or part thereof, and d. a possibility to unilaterally modify or supplement the content of the Contract unilaterally. Silence, inaction (e.g. failure to raise a protest) or omission produce no legal effect by themselves, and should not be construed as a waiver of rights, remission of debt, consent or acceptance (e.g. products, offers), unless it should follow otherwise from the content of the concluded Contract. In order to give rise to legal effects, waiver of any rights of the Customer shall be made in writing.
3. Goods mean all movable property, services or works specified in more detail in the legal title (in the order, in particular), always including accessories and components, licenses and any related property rights, factual, intangible, industrial or creative intellectual property rights. The Supplier declares that:
 - a. It is fully entitled to handle the goods without any restrictions and transfer the ownership and property rights to the goods over to the Customer;
 - b. Given the specialized nature of the goods within the meaning of the law it is a qualified person and able and willing to fulfil its obligations as an expert;
 - c. The goods have not yet been transferred to / or encumbered in favour of another person;
 - d. The goods are not subject to any factual or legal defects, debts, obligations (such as taxes), liens, pre-emptive rights, tenancy rights or other collateral or load;
 - e. The goods are not subject to any execution, court, insolvency, arbitration or administrative proceedings,
 - f. The goods comply with the requirements of the Customer and are suitable for the purpose for which they are intended and which the Supplier has familiarized with;
 - g. The goods are new, undamaged, in compliance with technical, sanitary and safety standards, requirements for products and any mandatory legislation;
 - h. The goods are neither polluted or contaminated under laws for the protection of the environment;
 - i. Any transfer or use of the goods shall lead to unlawful interference with the absolute or relative rights of any third parties.
4. The Supplier is obliged to deliver the goods according to Customer’s requirements, according to its drawings, regulations or specimens or other specifications, in the highest

possible quality, duly and in a timely manner. The Supplier is obliged to inform the Customer of inaccuracy or inappropriateness of especially instructions, samples, drawings or other documents, which it was able or should have found out while making all efforts using its professional competence. Packaging, components and parts of articles are part of the goods; the obligation to return collection of packaging is thus not affected.

5. If the Supplier provides performance to the automotive industry, the Supplier is obliged to systematically plan, compare (with official weights), apply and control measurement of products, which ensure technical quality of supplies. In the event of any changes that may affect the quality of the goods (e.g. change of manufacturer, Supplier or place of production, new technology, the use of new machinery or control mechanisms), the Supplier is obliged to report this fact to the Customer and conduct new product sampling prior to next delivery on the basis of the Customer's requirements. The Supplier is responsible for the execution of all required tests. The Customer reserves the right to execute control tests. The Supplier declares that its products conform to the Regulation of the European Parliament and the Council No. 2000/53/EC (governing the obligation to reduce levels of some compounds and elements such as cadmium and chromium during the manufacturing and life cycle of cars).
6. The Customer with regard to production management is not interested in late or partial fulfilment; therefore, the Supplier must ensure timely compliance (frontloading) in such manner so as to always meet the agreed delivery deadlines. Later or partial delivery of goods may be rejected and returned at the Supplier's costs. The Customer reserves the right to refuse an early delivery or a delivery that has not been notified in advance. In case of Supplier's delay in delivering the goods, the Customer is entitled to assert and claim a contractual penalty amounting to 0.05% of the value of goods for each initiated day of delay, up to a maximum of 20% of the value of goods. Any self-help sale of goods within the meaning of the Act is excluded.
7. The Supplier shall procure at its own expense all official permits (including payment of duties and taxes) required to deliver the goods under the Contract, possibly even in a foreign country if the goods are to be imported. The Supplier shall do so by the date of transfer of title to the goods at the latest. The failure to obtain official authorization shall not exclude or reduce responsibility of the Supplier.
8. The place of performance is the Customer's premises stated in the legal title (order). Title to the goods, the benefits associated with it, the risk of damage to the goods, as well as the risk of a change in circumstances are transferred to the Customer at the moment of receipt of goods.
9. The Supplier shall attach to the supply of goods all the documents in the Czech, or in the English or German languages (especially technical documentation, certificates, declarations of preferential origin of goods, other statements required by law or by the Customer, audit reports, letters of guarantee). The Supplier shall notify the Customer of any dangerous substances or formulations in writing and classify these substances or formulations as required by legislation effective in the Czech Republic. It shall further notify the Supplier of all dangerous properties of the goods in writing.
10. The Supplier is fully responsible for the final inspection of the goods and assessment whether the goods correspond to the Contract. After delivery of the goods to the place of performance only a visual check shall be made for any obvious external defects. The Customer is not required to conduct an in-depth entrance examination of or test and measure the goods. Acceptance of goods by the Customers after delivery or processing of

the goods shall not mean unconditional acceptance; the Supplier is not relieved of its responsibility arising from defective performance.

11. If the Contract is concluded for recurring transactions (i.e. for more than one order of the goods), then the Customer and the Supplier shall be entitled to terminate the Contract unilaterally without stating any reason or for any reason, with the notice period being two months and initiating on the first day of the month following the month in which the notice was delivered. In the case of recurring performance, however, the Customer is not bound to an exclusive partnership with the Supplier or to receive any minimum volume (quantity) of the goods. The Customer is not obliged to receive the goods, which has been only reserved, consigned or pre-negotiated without obligation (based on a projection or stockpiling).
12. The Supplier is obligated to pay sufficient attention to the prevention of delay and damage. The Supplier is obliged to describe to the Customers any obstacle in time, which prevents, will prevent or may prevent the performance of its duties; such notice shall be given to the Customer without undue delay after the Supplier has learnt of such obstacle or may have learnt of such obstacle while exercising due care. The Supplier shall reimburse to the Customer any loss caused to the Customer by defective performance (defective goods). The Supplier is also obliged to protect at its expense the Customer against any claims of third parties, if related to defective performance of the Supplier (defective goods) or it shall compensate the Customer in such cases. Any specific associated costs incurred with the intent to prevent or minimize delay or damages shall be charged to the Supplier. The provision regarding a contractual fine or the payment of contractual fine shall not affect or limit a claim for damages. All damages shall be compensated in money.
13. Sportingly, delivery conditions shall be applied to the contractual relationship between the Customer and the Supplier, the official ICC Incoterms 2010 unloading rules. If a specific clause is not included in the order, the delivery parity with DAP shall be used (address of the Customer's place of business specified in the order).
14. The agreed prices are not subject to any adjustment except for the written Contract of the contractual parties; the prices are final and include licenses for the use and dissemination of the components of goods created by the Supplier and they are protected as intellectual property (copyright work), as well as any other costs associated with the goods. Current tax shall be added to the prices that do not include VAT. In the event that at the time of occurrence of the taxable event there is published information about the Supplier in a manner allowing remote access that it is an unreliable VAT payer, the Customer is entitled to pay part of the purchase price in the amount corresponding to the value added tax, respectively the value added tax in accordance with § 109a of the Act on VAT directly to the tax administrator. Through this procedure the Customer's obligation to pay the Supplier the corresponding part of the purchase price shall be met.
15. The goods will be paid on the basis of an appropriate tax document (invoice), which must contain the order number. The invoice will be issued with a maturity of at least 30 days from the date of delivery to the Customer. The Customer is entitled to return an incorrect or incomplete invoice back to the Supplier within its due date to be completed without getting into arrears with the payment. Any payment by the Customer under any circumstances shall not mean unquestioning acceptance of the goods and shall not affect its rights resulting from defective performance by the Supplier.

16. The Supplier shall provide to the Customer warranty for the quality of goods in the duration of 12 months, unless extended warranty is agreed. At least for the specified period of time the goods will be fit for use for the agreed purpose and will display the agreed properties at least.
17. Termination of the warranty for quality or its restriction shall not occur if a) the Customer has intervened in the goods in accordance with its purpose, b) the Customer has performed an inspection to detect defects and a change in the condition of the goods has occurred, c) the Customer has not inspected the goods after their delivery, d) the Customer delays in notifying of a defect after it could determine it in a timely inspection and sufficient car, e) the Customer delays with the option of rights it is due given the title of defective performance.
18. If any defects occur on the goods during the warranty period, the Customer shall exercise the right by a written complaint. Costs associated with a legitimate claim shall be borne by the Supplier. If the Customer exercises the right to remove defects, the Supplier shall remove the defect no later than ten (10) calendar days from receipt of the complaint. Should the Supplier be unable to do so, it is obliged to notify the Customer immediately. In that case, or in the case that the Supplier fails to remove the defects properly and in a timely manner, the Customer may exercise other right or remedy the defect itself and claim compensation in the amount corresponding to the cost of defect removal. This shall apply in the event that the Customer chooses the right to remove defects additionally, and these defects are subsequently proved to be unrecoverable.
19. If one or more provisions of these terms and conditions become invalid, illegal or unenforceable in any respect, this shall not affect the validity of the remaining provisions. This also applies in the event that the Supplier is in the position of the Consumer, with terms and conditions being applied adequately so as not to conflict with the legal protection of the Consumer.
20. The Contractual Parties undertake to make every effort to ensure that any disputes arising from the Contract shall be settled amicably in the first place; they undertake to act in such manner so that to explain a controversial situation objectively and provide the necessary cooperation for that purpose. In the case of legal proceedings in disputes with an international element the competent court shall always correspond to the location of the Customer. The law of the Czech Republic shall be the governing law, while backward reference to law other than Czech law shall be excluded.