

PURCHASE CONDITIONS, BENET AUTOMOTIVE Ltd.

(hereafter referred to as 'Purchase Conditions') Valid from the 1st January 2020.

1. **Order and its formalities.** An order made by BENET AUTOMOTIVE Ltd. (hereafter referred to as 'BA') must be, according to the company's internal regulations, submitted to the supplier, vendor or contractor (hereafter referred to as 'Supplier') in written form and on a BA form only. An order is always submitted electronically to an e-mail address (or e-mail addresses) provided by the Supplier and is valid without a signature and/or stamp. Providing a Supplier requires an order to be placed via GBI or B2B portals, only the order data are submitted electronically, not the full order on the BA form from the SAP system. An order can only be amended by dated written addenda agreed upon by both parties. BA hereby warns the Supplier of the need to verify order validity should it not comply with these Purchase Conditions.
2. **Receiving an order.** The Supplier is required to accept an order and acknowledge its receipt in writing within 3 working days of the date of its receipt. Should the Supplier fail to do so, the order will be regarded as having been unaccepted by the Supplier. Unless clearly stated otherwise, only employees of the purchasing and logistics departments are authorised to act on behalf of BA in this matter. The Supplier shall notify BA in writing of the persons authorised to act on its behalf. By confirming an order, the Supplier accepts these Purchase Conditions which become an integral part of the order. Should the Supplier process an unverified order and BA accepts its delivery, the Supplier accepts these Purchase Conditions which become an integral part of the order.
3. **Delivery of goods.** Unless an order states otherwise, the Supplier is required to deliver goods to the BA premises to the following address: BENET AUTOMOTIVE Ltd., Topolová 810, 28924 Milovice, Czech Republic. Goods must be delivered on a specified date on weekdays from 7 a.m. to 2 p.m. or in pre-agreed unloading windows at Supplier's expense unless clearly stated otherwise. Specific terms and conditions, as referred to in the INCOTERMS international delivery terms valid at the time of the conclusion of contract, may apply to individual orders. For deliveries subject to customs clearance, the Supplier is always obliged to notify BA in writing of the exact delivery time one day prior to the delivery or no later than 9:00 a.m. on the day of delivery, as these goods must be registered with the Customs Office in Mladá Boleslav for customs clearance. Failure to comply with this obligation may result in BA's not being able to ensure unloading of goods on the day of delivery and thus any costs resulting from downtime and waiting shall be borne by the Supplier. Unless the order states otherwise, the Supplier is obliged to ensure that all official permits and inspections, as well as customs clearance and taxation of goods, are done and bears all associated costs including taxes and customs. Unless the delivery of goods in returnable packaging is agreed upon in advance, BA shall ensure this packaging is returned within a reasonable time while the Supplier covers the delivery costs.
4. **Ownership transition.** Goods delivered by the Supplier become BA's property the moment they are handed over, received by BA and the delivery note is signed by BA on the BA premises.
5. **Risk of damage.** The risk of damage to the goods passes on to BA at the time of their receipt.
6. **Delivery of larger quantity of goods.** If the Supplier delivers more goods than have been ordered, BA may accept all the delivered goods or refuse to accept their excess quantity. If BA accepts all the extra goods or only their part, it will pay the purchase price as stated in the order. Provided that BA does not accept the excess quantity or its part, it will notify the Supplier and request they collect the extra goods within the time-limit prescribed while bearing all the associated costs, unless this was done at the time of delivery. If the Supplier fails to do so within a week, BA shall decide whether to store these goods or whether to deliver them to the Supplier's head office or to the place where the goods were dispatched from; the Supplier covers the associated costs in both cases. BA is entitled to add the above-mentioned costs to the total sum in the invoice for any particular delivery.
7. **Quality, execution and Supplier's warranty.** The Supplier offers a 24-month quality guarantee after the delivery of their goods and is responsible for repairing or replacing a defective product or its part provided that the defects were found within the warranty period after the delivery, unless a special warranty period has been agreed beforehand. The Supplier is obliged to deliver goods in the quantity and of the quality and design as specified in an order and must provide packaging and transport secure against any damage unless a specific method was stated in the order. Unless the order specifies the quality or execution of goods, the quality and execution must correspond to the purpose stated in the order or to the originally intended purpose of any given goods. If the ordered product is to be customised to the BA requirements, this product must have the characteristics of the sample or template provided by BA. Should there be a discrepancy between the determination of quality or the design of the product as defined by the sample or template provided and the determination of the goods in the order, the specification in the order is decisive; if there is no such discrepancy, the goods must have the characteristics of both of these specifications. In case of breach of these obligations by the Supplier, the goods are deemed faulty. Delivering different goods and errors in documents are also considered to be faulty goods. The Supplier is responsible for the faults the goods have at the time when the risk of damage to the goods passes on to BA even if the fault becomes evident after this time. The Supplier is also liable for any faults that occur after this period if they are caused by a breach of Supplier's obligations as well as for faults that occur during the warranty period.
8. **Faulty goods and complaints.** BA shall notify the Supplier of any faults after their discovery, specify them and choose the manner in which BA's claims for the liability for defects will be met. BA may request a replacement of faulty goods, delivery of missing goods, removal of legal defects or repair of faulty goods providing that the faults are repairable. BA is also entitled to require an extension of the expiration period, request a reasonable discount on the purchase price or terminate the contract, i.e. the order. The claim may be altered by an agreement between the parties and if goods are considered irreparable or the repair is subject to excessive costs, the Supplier shall promptly notify BA and call for alternative options. Provided that the Supplier fails to remove defects within a reasonable period of time or if they inform BA in advance of not being able to remove them, BA may cancel the order or request a reasonable discount on the purchase price. Provisions of returning non-ordered goods also apply to the procedures for returning of unrequested goods as well as to the reimbursement of costs relating thereto. BA has the right of choice and the Supplier is obliged to wait for it. In addition, BA is entitled to claim for compensation as well as a contractual penalty. Only the actual damage shall be compensated and the damage incurred by BA as a result of having to incur costs due to a defect in the goods delivered by the Supplier or resulting from a breach of Supplier's obligations shall also be considered damage. Entitlement to a discount on the purchase price corresponds to the difference between the value the goods would have without faults and the value of the delivered faulty goods. The time frame within which the particular performance is due is a decisive factor for the determination of the values. BA may reduce the purchase price by a discount, provided this price has already been paid, it may claim for a refund up to the amount of the discount together with 18% interest per annum or it may be set off against a different claim. Until the defects are removed, BA is not obliged to pay the part of the purchase price which would correspond to BA's claim for a discount if the defects were not removed. The effects of an order cancellation shall not arise nor expire if BA is unable to return goods in the same condition they were received in with the below mentioned exceptions:
 - a) if the impossibility of returning the goods in the condition specified therein is not due to BA's act or omission, especially when the defect appeared during processing or during the warranty period,

- b) if the condition of the goods has changed as a result of an inspection duly carried out to detect defects in the goods,
- c) if, prior to the appearance of defects, BA had sold the goods, had partially or completely used them or altered them while using them for their intended purpose. If this is the case, BA is obliged to return the unsold, unused or altered goods and compensate the Supplier for the amount of money the Supplier would have earned from using the goods. The Supplier is obliged to refund the entire purchase price if it has already been paid. If a dispute as to whether the goods are actually defective arises between the parties, i.e. the Supplier doesn't acknowledge the claim or acknowledges it but with an objection to the discount on the purchase price, the parties shall attempt a friendly solution: BA shall provide an authorised expert whose impartiality is guaranteed by his/her being appointed by a regional court and being on the list of authorised experts. The costs incurred in this process shall be borne by the party to whom the expert opinion proves unfavourable.
9. **Goods documents.** The Supplier is obliged to hand over all the necessary documents together with goods; these documents include a declaration of conformity, proof of origin, a guarantee certificate, documents necessary for customs clearance if this is provided by BA, otherwise proof of customs clearance, proof of tax payments, especially VAT if the Supplier is VAT-registered, as well as evidence of all official inspections. The Supplier shall also provide the usual documentation for the goods as well as the one requested in the order or what is compulsory; this includes safety, operational and service documentation as well as other documents and certificates, revisions, etc. Each delivery must come with a delivery note indicating the order number as stated by BA and other information requested in the order.
10. **Delay and damages.** Providing that there is a delay in delivery, BA is entitled to set an alternative date, demand delivery and damages or only compensation for the damage incurred and withdraw an order. The Supplier shall inform BA of the delay as soon as it is discovered, notify BA of the nature of the obstacle preventing the Supplier from fulfilling its obligation and of its consequences. The report shall be made without undue delay after the liable party becomes aware of the obstacle, or could have become aware of it, with due care. The Supplier shall be released from the obligation to pay damages if they prove that the breach of obligation has been caused by circumstances excluding liability. Circumstances excluding liability include an obstacle that has occurred independently of the Supplier's will and prevents them from fulfilling their obligation unless it can be reasonably assumed that the Supplier has averted or overcome this obstacle or its consequences or anticipated them at the time of making the commitment. Liability shall not be precluded by an obstacle which arose at the time when the Supplier was in default of performance or if it arose from the Supplier's economic circumstances. Exclusion of liability is limited by the time the obstacle remains. Only actual damage shall be compensated; the damage incurred by the injured party by incurring costs as a result of the other party's breach of obligations is also considered damage.
11. **Invoicing and payment terms.** Payment falls due as it is stated on an invoice; an invoice is duly issued pursuant to these terms and conditions, delivered to BA at the address shown here and by the due dates specified below. Invoices must be issued and sent separately from the goods immediately after their dispatch (delivery) to the BA head office at BENET AUTOMOTIVE Ltd., Chobotická 365, 29301 Čejetice. Best to send one in electronic form to an email address uctarna@benet-auto.cz. Unless agreed otherwise, an order must be invoiced in its entirety on a single invoice and after complete delivery. An invoice is due from the date of delivery of the goods at the earliest, in case it was delivered before the goods reach BA. Unless partial deliveries with partial invoicing have been expressly agreed, BA shall only accept an invoice for an entire order and only after the last partial delivery. Regarding premature deliveries, even if accepted, invoice maturity shall begin to be calculated no earlier than the date of the agreed delivery date. An invoice must contain all legal requirements of a tax document as well as other agreed data, such as BA order number, supplier's delivery note number and individual positions on an invoice sorted and numbered according to the given order. A common invoice payment term is Net 30, unless stated otherwise. With a Net 14 invoice payment term, the Supplier will offer a 2 % discount. If the Supplier wishes to offer this type of discount and thus shorten the payment term, he/she will provide an invoice with this discounted price. It is necessary to state order prices on an invoice and to qualify the discount separately. If the Supplier is in default with a delivery or part thereof, BA may, without notice and irrespective of other sanctions and damages, extend the due date of an invoice or invoices for any given delivery by the period of Supplier's delay. Currency selection is stated in an order and the Supplier will issue an invoice in the same currency. Invoices lacking these details shall be returned. With regard to the returned invoices, the due date is calculated from the date of delivery of the correct invoice.
12. **Obligation of confidentiality.** The Supplier is obliged to deem orders, and all commercial, manufacturing and technical information found thereon, confidential. For the purposes of promotion, the Supplier may mention the commercial connection with BA only with an express written consent of BA. BA is entitled to store and process Supplier's data in accordance with GDPR, Data Protection Act and Civil Code. Drawings, models, technical documentation and any other technical information exchanged between the Supplier and BA for the purposes of product delivery shall remain Supplier's property and may not be used for any other purpose; the other party must deem them confidential. These drawings and other documentation may not be freely copied, reproduced, nor may be otherwise disclosed to any other entity without a prior written consent of the Supplier, even in the case of subcontracting. The supplier may assign its rights and obligations to BA only with the express written consent of BA.
13. **Penalties.** BA is entitled to charge a contractual late delivery fee of €80 plus 0.15 % of order value per each day of delay. In the event of factual, legal and claimed defect, BA is entitled to charge a contractual penalty of up to €120. BA is entitled to charge a contractual penalty of €80 for the delay in sending an invoice after the handover of the goods if this delay exceeds 20 days. Provided that this delay exceeds 30 days, BA is entitled to charge a contractual penalty of €80 plus 0.3 % of order value per each day of delay. BA may proceed likewise regarding invoices which have not been resent or returned. In the event of non-compliance with the obligation of confidentiality, the injured party is entitled to charge a contractual penalty of €5,000. Provided that BA is in default with payment of justified invoices, the Supplier is entitled to charge according to the regulation of the Czech government number 351/2013, in the amount of the repossession set by the ČNB for the first day of the calendar half-year + 8% p.a. Sanctions must be paid by both parties within 10 days after receiving a penalty invoice. Application of sanctions does not exclude the possibility of claiming damages.
14. **Choice of law and competent court.** Mutual relations of both parties shall be governed exclusively by the law of the Czech Republic. At the same time, the application of the UN Vienna Convention on Contracts for the International Sale of Goods to their mutual relations under Art. 6 as well as the application of the Convention on Limitation in the International Sale of Goods pursuant to Art. 3 are expressly excluded. Furthermore, a competent local court for BA is determined for any disputes between the parties even if a foreign Supplier is accused.
15. **Final provisions.** These Purchase Conditions are an integral part of any order; BA purchases solely in accordance with these Purchase Conditions. Providing that an order is sent electronically without these Purchase Conditions or if the Supplier does not receive these Purchase Conditions together with an order for whatever reason, BA has published these Purchase Conditions at the following address www.benet-auto.cz/dokumenty. These Purchase Conditions are hereby deemed delivered to the Supplier.

BENET AUTOMOTIVE Ltd., Kamil Suchan, Executive Manager

Zbyněk Válek, Manager